



If You Want to Protect Your Business Method, Reframe It as a Technical Invention



By Mark Nowotarski
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“Protecting groundbreaking business method innovations is a challenge. Getting meaningful patent protection on the early stage technical inventions required to implement a business method may be essential for the ultimate success of your ideas.”

The most effective way to protect an inventive business method is with a patent on a technical invention. Ever since the U.S. Supreme Court’s 2014 *Alice* decision, the U.S. courts and



the U.S. Patent and Trademark Office (USPTO) have consistently held that you can’t patent a business method by itself. The *Alice* decision overturned several related business

method patents as being nothing more than an attempt to patent a fundamental economic process. Lower court decisions have since affirmed that “no matter how groundbreaking, innovative or even brilliant” a business method might be, you still can’t patent it. The only way to use patents, therefore, to protect business method inventions, is to patent the technological inventions required to make the business methods work. These inventions will be patentable since they will “improve the functioning of the computer itself.” See *Buysafe, Inc., v. Google, Inc.* 765 F.3d 1350 (2014) citing *Association for Molecular Pathology v. Myriad Genetics, Inc.*, ___ U.S. ___, 133 S.Ct. 2107, 2116, 186 L.Ed.2d 124 (2013).

Identifying the Technological Invention

One of the first steps on the road from an initial concept to a commercial product is the building of a working prototype. For a computer implemented business method, this often means hiring a developer to build the front end and/or the back end of a proof-of-concept app. Building the app is fertile ground for making technological inventions that can be patented. The developers might encounter performance problems, database security issues, data quality issues, or maybe even basic conceptual issues of how to implement the business method itself. There are also design issues that come up related to the user interface that must be solved.

The Importance of Technological Language

When describing these technical inventions to your patent attorney/agent, it’s important to use technological language. If you use technological language, then the patent attorney/agent will draft the patent application as an improvement to computer technology. It will then be assigned to a computer technology art unit at the USPTO, where the patent examiner will have a relatively easy time understanding that you are improving the functioning of the computer itself and not trying to patent a fundamental economic process. If, on the other hand, you use business method language to describe the technological invention, the patent office will classify the patent application as a business method. It will then be much more difficult to show the patent examiner that the invention is directed to an improvement in the functioning of a computer and not an attempt to patent the fundamental economic process.

This doesn’t mean that you leave the business method out of the patent application. You still need to describe it to show at least one useful application of the technological

invention. It is not, however, the focus of the application.

If you are not familiar with the technological language you should use to describe the invention, you can review other technological patents in the same field as the invention. This is a good idea in any event, since it will help make sure you are not trying to patent something that’s already been done before. Table 1 below shows some typical technology fields, sample titles, key words and formal class numbers for computer-based technologies that are often used to implement business methods.

Computer Technology Key Words		
Table 1		
Technology Field	Patent Title (key words underlined)	USPTO Class
Cryptography	System and Method for Announcing <u>Cryptographic Keys</u> on a <u>Blockchain</u>	713
Virtual Machine Control	Storage <u>Virtual Machine</u> Relocation	718
Multicomputer Data Transfer	Processing <u>File Modifications</u> in a <u>Networked Storage System</u>	709
Database Management	Systems and Methods for Forming a <u>Fault-Tolerant Federated Distributed Database</u>	707
Artificial Intelligence	<u>Machine Assisted Learning</u> of Entities	706
Operator Interface	Automatically Generating Column <u>Layouts</u> in <u>Electronic Documents</u>	715

If there is a class that is especially appropriate for your invention, you can scan through a couple of patent titles in that class to build the vocabulary you need to describe the invention. The patent office will appreciate you using the language of a specific class since it makes their job easier in deciding to which art unit they should send a patent application.

Table 2 below shows example language and vocabulary you do not want to use to describe your technological invention. These are some of the more popular business method fields along with sample titles and keywords associated with their formal USPTO class/subclasses.

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Business Method Key Words		
Table 2		
Business Method Field	Patent Title (key words underlined)	USPTO Class/subclass
Health Care Management	Method and Apparatus for <u>Quality Control</u> of Electronic <u>Prescriptions</u>	705/002
Insurance	System and Method for <u>Risk Matching Clients</u> with <u>Insurance Companies</u>	705/004
Operations Research	System and Method for Identifying <u>Excellence</u> Within a <u>Profession</u>	705/007
Discounts or Incentives	Systems and Methods for Providing <u>Advertising Services</u> to Devices	705/014
Electronic Shopping	<u>Product Matching</u> Systems and Related Methods	705/026
Finance	<u>Money Transfers</u> Utilizing a Unique Receiver Identifier	705/035

It's OK to use these key words to describe the business method within your patent application, but they should not be used to describe the technological invention itself.

Issues with Using Technological Patents to Protect Business Method Inventions

Many inventors are concerned that if they can't patent their business method directly and if they can only patent the technological inventions necessary to carry out the business method, then it will be too easy for competitors to get around the patents. This is a legitimate concern. The best way to address it is to see just how generic you can make the technological invention. If it is generic enough without sacrificing its technical nature, you should be able to get meaningful patent protection.

Another issue that inventors are concerned about is if they are only patenting what the computer is doing, they might not be able to tell if there is infringement. This is where the strategic guidance of a patent attorney/agent is important. For example, infringement of a back-end innovation, such as a novel database structure, may be very difficult to detect. It may be best to keep those innovations a trade secret. Infringement of a front-end innovation, such as a novel graphical user interface (GUI), may be much easier to detect and much harder to keep a trade secret. That would indicate that patent protection is the

best way to go.

Protecting groundbreaking business method innovations is a challenge. The current legal and political climate make it very difficult to directly patent the business method itself. Patenting the technical inventions that are necessary for the practical implementation of the business method, however, is much more promising, especially for innovators seeking venture funding. Getting meaningful patent protection on the early stage technical inventions required to implement a business method may be essential for the ultimate success of your ideas.

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Pro Say September 3, 2019 6:39 pm

Excellent advice Mark.

How sad, however, that in order to protect the gold that is their (often breakthrough) business methods; inventors should instead consider directing the attention of patent adjudicators to the copper and the tin of their inventions.

Repugnant.

concerned September 4, 2019 12:28 am

I agree with Pro Se remarks. An inventor has to dance around the insanity because of a SCOTUS

ruling. “Fundamental economic process.” Yes I received that non-sense also.

Is crashing a plane due to pilot error a “fundamental economic process?” Accordingly, is a business method that prevents all airplane crashes just a “fundamental economic process” not worthy of a patent?

Are professionals and experts who make mistakes amounting to billions of dollars per year during the course of their employment just a “fundamental economic process?” Therefore, is a business method that eliminates said mistakes and errors just a “fundamental economic process” not worthy of a patent?

Exactly what benefit to society is this kind of SCOTUS “patenting” promoting?

I guess I rather go down swinging than dignify the insanity with a approach that caters to it. See a longstanding problem, solve a longstanding problem is the patent world I chose to live in regardless if it used a computer.

TFCFM September 4, 2019 9:48 am

I admire Mr. Nowotarski’s ability to provide such good advice without using the troublesome term “abstract idea.” Bravo.

The crux of Mr. N’s advice:

“The current legal and political climate make it very difficult to directly patent the business method itself. Patenting the technical inventions that are necessary for the practical implementation of the business method, however, is much more promising...”

More crudely summarized: Actually ***invent* something useful** and patent that — don’t try to patent the idea that **others might invent** something useful.

Anon September 4, 2019 10:06 am

Currently traveling (so have not yet dived into the article), but wanted to note how very much the headline sounds in **opposite** of what the Supreme Court wants (with their shrill admonition *against* “scriveners.”

Chris September 4, 2019 2:46 pm

Hey Mark – nice article. For one not well-versed in the intricacies of patent-speak such as myself, it can sound somewhat contradictory. That is, my layman’s understanding of Alice is that an abstract idea does not become eligible for a patent simply by being implemented on a generic computer. Yet, you seem to indicate that a business method becomes patentable when you can show the technology behind it. I guess the nuance is on the “technological improvement” aspect? I’ll definitely refer to the cited cases.

Thanks again for the article

Fredrick Omukubi Otswong'o September 4, 2019 4:37 pm

Directing a patent examiner to technical field classification is a wonderful technique of patent drafting. Where can I find your detailed material Sir?