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Federal Circuit Fishes Out Patent Eligibility

In an eagerly awaited decision, the Court of Appeals for the Federal Circuit ruled that claims directed to a model of data for a computer database were patent eligible.

In *Enfish, LLC v. Microsoft et al.*, the invention related to a self-referential database. Basically, unlike prior approaches to storing information in a database, the patentee was able to store all information in a single table. The particular technique used allowed for faster searching, more effective storage, and more flexibility in configuring the database. This is one of the few opinions by the Court finding in favor of patent eligibility since *Alice Corp. Pty Ltd. v. CLS Bank Int'l* was decided in 2014. The *Alice* decision requires a court to follow a two part test: 1) are the claims directed to a patent ineligible concept – such as a law of nature or natural phenomena? 2) if so, do the claims add something significantly more? Both parts of the test have been criticized as being virtually impossible to apply with any level of certainty or consistency.

Courts and the Patent Office have all but glossed over step 1 which has forced those advocating in favor of patent eligibility to focus on the "something more" part of the Alice test. The *Enfish* court said that the "directed to" language in step 1 must mean more than simply "involving" a law of nature because everything involves a law of nature. Further, the *Enfish* court said that appropriate analysis requires looking at the character of the invention as a whole – instead of looking at just pieces of the invention as some courts and Patent Examiners have done.

More poignantly, the Court said software is not inherently abstract and cautioned lower courts not to skip over the first step in the *Alice* analysis. Physical components need not be claimed – resulting in a major win for those in favor of patenting software. A test the *Enfish* Court used was whether the claims were directed to an improvement in computer functionality. Stated differently, is the focus of the claims on a specific improvement in computer capability or is the focus on an abstract process and the computer is only invoked as a tool? In *Enfish*, the Court found that there were improvements in how a computer stores and retrieves data and therefore the claims were patent eligible. This was not a situation, according to the *Enfish* court, where a general purpose computer was added to a fundamental economic practice or to a mathematical equation.

Interestingly, the parties agreed that pertinent claim elements recited structures defined by their functions (i.e. invoked "means-plus-function" language), the corresponding function was an algorithm disclosed in the specification, and that algorithm clearly showed an improvement in computer functionality. It's possible that use of means-plus-function language, typically avoided when concerned about claim scope, helped save the day for

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the patentee. Moreover, the Court pointed to touted benefits in the specification reflecting improvements over conventional databases as further support that the invention was patent eligible.

If you have a particular concern regarding patent eligibility and how to best to apply the ruling in *Enfish*, please contact us.

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