

FEDERAL CIRCUIT SUMMARY FOR WEEK ENDING JULY 12, 2019**VirnetX Inc. v. The Mangrove Partners Master Fund, Ltd., Nos. 2017-1368 and 2017-1383 (July 8, 2019) (nonprecedential); Patent Nos. 6,502,135; 7,490,151****Key point(s):**

- A party must demonstrate prejudice to assert improper joinder otherwise permitted under 35 U.S.C. 315(c).
- The PTAB must afford patent owners an opportunity to at least file a motion for additional discovery before concluding additional discovery is not warranted.
- The meaning of a claim term does not change depending on the party that argues prosecution disclaimer.

Facts/Background: VirnetX is the owner of the '135 and '151 patents, which are generally directed to establishing secure communications over the internet. VirnetX sued Apple and RPX Corporation for infringement. Both Apple and RPX petitioned for *inter partes* review, but the PTAB denied institution because Apple was time-barred under 35 U.S.C. 315(b) and Apple was a real party in interest. Subsequently, Mangrove petitioned for *inter partes* review of the patents, and the PTAB instituted review. Apple requested joinder to the instituted proceedings and the PTAB granted the request. The PTAB held that claims of the patents were anticipated by the *Kiuchi* reference. This appeal followed.

Holding: Vacated and remanded. VirnetX argued Apple's joinder was time-barred and thus violated 35 U.S.C. 315(b). The appellate court found that Apple's joinder was an exception under 35 U.S.C. 315(c) and that VirnetX did not overcome the exception by showing how it is prejudiced by Apple's joinder and continued participation. VirnetX also argued Mangrove Partners should have joined as a real-party-in-interest because they could have exercised control over a party's participation in a proceeding, and so the proceedings should be terminated. The appellate court held that substantial evidence supported the PTAB's finding that Mangrove Partners was not a real party in interest and that the PTAB did not commit reversible error. The appellate court then held the PTAB abused its discretion by not letting VirnetX move for additional discovery. The patent owner must be allowed to at least file the motion for additional discovery under the explicit authorization to do so under 37 C.F.R. §42.51(b). On the merits, the appellate court held that the PTAB's finding that the C-HTTP name server in "*Kiuchi*" performs the functions of the claimed DNS proxy module were not supported by substantial evidence. The C-HTTP name server does not forward a DNS request, but rather sends an error message back to what the PTAB relied on as the claimed "client." The appellate court ruled that the PTAB stretched the meaning of "client" out of context, which should have been construed as a "user's computer." Moreover, the PTAB should have construed the VPN connection as requiring *direct* communication between the client computer and target computer, per the prosecution history. The PTAB failed to rely on the prosecution history disclaimer to construe the claim, which it was required to do even if the patent owner argued the claim was limited by the disclaimer.

In re Black, No. 2018-1166 (July 8, 2019) (nonprecedential); Patent App. No. 13/542,146**Key point(s):**

- The hallmark of whether the PTAB has made a new ground for rejection is whether applicants have had an opportunity to respond to the “thrust of the rejection.”

Facts/Background: Black and Hayes (“Black”) filed U.S. Pat. App. No. 13/542,146 (“the ‘146 application”) directed to a system where personal communication devices can access a universal remote control to control other devices. The Examiner rejected the claims as obvious over Arling (U.S. Pat. App. Pub. No. 2005/0097618) in view of Nakajima (U.S. Pat. App. Pub. No. 2003/0095211), and Applicants subsequently appealed. The PTAB affirmed the Examiner’s rejection. The PTAB relied on the reasoning of the Examiner for motivation to combine. Black filed a request for rehearing. In denying the request, the PTAB made “explicit that which was implicit in the Decision on Appeal.” In particular, the PTAB expanded its analysis of Arling, and reasoned that Arling’s teaching of command conversion to address a particular controllable device teaches ‘both a definition of the particular controlled device and a listing of one or more commands to be transmitted ... to that controllable device’ as recited in claim 1. Black appealed.

Holding: Affirmed. Black presented two questions on appeal: (1) whether Arling and Nakajima disclose the tag file limitation recited in the ‘146 application; and (2) whether the PTAB adequately provided a motivation to combine Arling and Nakajima in light of the PTAB’s “new” findings regarding the prior art disclosures. Black argued that Arling did not satisfy the tag file limitation recited in claim 1. The Federal Circuit disagreed, holding that it was not unreasonable to conclude that Arling implicates a tag file containing both commands and device definitions such that the commands are transmitted directly to controllable devices. The Federal Circuit further concluded that Black’s individual attack on Arling (i.e., that Arling did not satisfy the tag file limitation) was improper because the PTAB concluded the combined teachings of Arling and Nakajima taught the tag file limitation.

Black further attacked the PTAB’s motivation to combine because the PTAB had relied on a combination of elements in Nakajima different from those relied upon by the Examiner. Black thus contended that the PTAB had improperly affirmed the rejection on new grounds. The Federal Circuit disagreed, holding that “the hallmark of whether the PTAB made a new ground for rejection is whether [Black] had an opportunity to respond to the thrust of the rejection.” Both the Examiner and the PTAB relied on paragraph 51 of Nakajima, and the Examiner explicitly argued a motivation to combine that the PTAB relied on. The Federal Circuit determined that Black did not argue the motivation to combine before the PTAB and had the opportunity to respond to the PTAB’s grounds for rejection in the Request for Rehearing, but failed to raise any arguments regarding the PTAB’s failure to disclose a motivation to combine based on the alleged new grounds. Thus, since the PTAB’s rejection relied on the same paragraph of Nakajima, the PTAB’s endorsement of the Examiner’s motivation to combine was still applicable. Black’s failure to argue that motivation to combine in their appeal to the PTAB and in the Request for Rehearing made it improper to raise it before the Federal Circuit. The Federal Circuit concluded that Black had a fair opportunity to respond to both the PTAB’s and Examiner’s grounds for rejections, thus there was no basis to conclude that the PTAB made a new ground of rejection here.

General Electric Company v. United Technologies Corporation, No. 2017-2497 (July 10, 2019) (precedential) (3-0); Patent No. 8,511,605

Key point(s):

- Speculative injuries do not support constitutional standing.
- The PTAB's decision to uphold patent claims does not invoke the "competitor standing" doctrine, if the competitive landscape (*e.g.*, prices and competitors) for the field remains unchanged.
- The AIA estoppel provision does not create injury in fact for standing when the party does not practice the patent claim and injury is speculative.

Facts/Background: GE petitioned for IPR, challenging claims 1-2 and 7-11 of the '605 patent, which claims a gas turbine engine comprising a high bypass ratio, a low stage count low pressure turbine, and a variable area fan nozzle, on grounds of anticipation and obviousness, respectfully. UTC disclaimed claims 1 and 2, leaving claims 7-11 pending. The PTAB found GE failed to establish that claims 7-11 of the '605 patent were unpatentable as obvious in light of a 1979 report, *Quiet Clean Short-Haul Experimental Engine (QCSEE) Final Report*, ("Willis") and U.S. Patent No. 5,778,659 ("*Duesler*"). GE timely appealed.

Holding: Dismissed for lack of standing. UTC moved to dismiss the appeal for lack of standing. Both parties were instructed to brief the standing issue. GE argued the '605 patent inhibited use of 1970's geared-fan engine design and maintaining GE's competitive position in the industry would mean expending unreasonable time and effort in designing around the '605 patent. GE also argued it would be prejudiced by estoppel under 35 U.S.C. 315(e). UTC argued GE failed to demonstrate a sufficient injury in fact because (1) there was no threat by UTC of a potential infringement suit in light of the '605 patent, (2) GE's failure to develop an engine that implicated claims 7-11 of the '605 patent made the alleged economic injury speculative, and (3) the "competitor standing" doctrine and AIA estoppel provision were not applicable to the pending lawsuit. The Federal Circuit began by explaining that to establish standing, GE must have suffered an injury in fact that is both concrete and particularized. The Federal Circuit held there was no concrete dispute that gave GE standing under Article III. There was no evidence in the record that GE's business suffered because of an inability to produce the geared-fan engine. GE's arguments of lost business and lost opportunities were speculative at best and failed to establish a real, particularized injury. The Federal Circuit similarly rejected GE's assertion that GE suffered from additional economic injuries in light of costs sustained in researching and developing a new design that would not infringe the '605 patent. GE failed to establish a connection between expenses incurred and the '605 patent, and its lack of definite plan to use the claimed features of the '605 patent provided no injury in fact. The appellate court also addressed the "competitor standing" doctrine (which recognizes that plaintiffs suffer a constitutionally cognizable injury when a regulatory change increases their economic competition), holding the PTAB's decision to uphold UTC's right to exclude did not change the competitive landscape. GE would not suffer a cognizable injury because the government had not increased economic competition. The Federal Circuit further held the AIA estoppel provision was not a sufficient injury in fact because GE was not engaged in any activity that would give rise to a potential infringement suit. GE did not practice the patent claims at that time; therefore, the injury was speculative.

Quake v. Lo, 2018-1779, 2018-1780, 2018-1782 (July 10, 2019) (precedential) (3-0); Patent No. 8,008,018 and Patent App. No. 12/393,833**Key point(s):**

- On remand, the PTAB need not reopen the record if (1) the proffered testimony is not inconsistent with the same witness's previous testimony; (2) there is a reviewable transcript of discussion of the issue with the parties; and (3) the PTAB provides written, reviewable reasoning for why it did not allow the new evidence into the record.

Facts/Background: Quake and Fan ("Quake") own U.S. Patent No. 8,008,018 and filed U.S. Patent Application No. 12/393,833 to a method of determining the presence of chromosomal abnormality in fetuses by using massively parallel sequencing (MPS) technology to sequence DNA fragments, including a random MPS detection step. Lo, Chui, and Chan ("Lo") instituted interference proceedings. The specification (shared by the '018 patent and the application) describes detection of target sequences. The PTAB found Quake's patent claims and Claim 25 of the application to be unpatentable for lack of written description under 35 U.S.C. § 112.

The PTAB issued a first decision in 2015, finding the random MPS claims at issue invalid for lack of written description. That decision was appealed to the Federal Circuit, which remanded to the PTAB to correct three errors and redo its § 112 analysis. On remand, the PTAB found that a citation to a reference and a single sentence in Quake's specification supported random sequencing, but that the two, on their own, were insufficient to describe the claimed method of determining fetal aneuploidy through random MPS. The PTAB also found that the specification did not describe the final claimed comparison step in terms that would be applicable to random MPS, namely adjusting/normalizing for chromosome size. The PTAB declined to reopen the record to admit expert testimony of a Dr. Gabriel from another proceeding, accepting Lo's argument that Quake failed to show why it would be a denial of due process not to do so.

Holding: Affirmed. The Federal Circuit agreed with the PTAB and concluded that because the shared specification of Quake's '018 patent and '833 application did not disclose a method of using random MPS to determine fetal aneuploidy, substantial evidence supported the PTAB's grant of Lo's motions finding the four claims of the '018 patent and claim 25 of the '833 application unpatentable for lack of written description under § 112. On appeal, Quake referred to two passages, A and B (A referring to Balasubramanian), from the '018 patent explained by Dr. Gabriel. Dr. Gabriel testified that a skilled artisan would understand Quake's invention even if the claim details were not expressly stated. The Federal Circuit agreed with Quake and the PTAB that while Balasubramanian "supports randomly massively parallel sequencing," evidence cited by the PTAB established that Balasubramanian supported targeted sequencing as well. The Federal Circuit ruled that a bare citation to Balasubramanian and use of the phrase "about 30 bp of random sequence information are needed to identify a sequence" in Passage B are not sufficient to communicate possession of the claimed method of random MPS to determine fetal aneuploidy. Lastly, the Federal Circuit held that the PTAB was within its discretion to not reopen the record to admit Dr. Gabriel's testimony.

TQ Delta, LLC v. Dish Network LLC, No. 2018-1799 (July 10, 2019) (precedential) (3-0); Patent No. 8,611,404

Key point(s):

- A change in claim construction by the PTAB during an IPR is not an APA violation if the parties have adequate notice of the change.
- Construction of a claim limitation for an IPR Final Written Decision is not a change in claim construction if the PTAB did not previously construe the limitation.

Facts/Background: DISH Network (“Dish”) requested an IPR of claims 6, 11, 16, and 20 of TQ Delta’s Patent No. 8,611,404 (“the ’404 patent”). The ’404 patent relates to the field of “multicarrier transmission systems.” Representative claim 6 recites, in part, “exit from the low power and restore the full power mode by using the at least one parameter and *without needing to reinitialize the transceiver.*” In the decision to institute, the PTAB summarized Dish’s argument that a PHOSITA would understand U.S. Patent No. 5,956,323 (“*Bowie*”) to mean that the “parameters are used to restore data transmission on the loop without having to perform the ‘handshaking’ (or initialization) process again.” The PTAB issued a final written decision finding, *inter alia*, that the claims were unpatentable as obvious. In its Final Written Decision, the PTAB interpreted the claim term “without needing to reinitialize” as being “satisfied if any step of initialization is avoided.” This appeal followed.

Holding: Affirmed. TQ Delta argued that there had been a change in claim construction and it didn’t have proper notice. TQ Delta also argued that the PTAB’s decision was not supported by evidence. *Bowie* could not be combined with other references because *Bowie*’s resume signal is on the same frequency as a signal pilot tone of other references. The Federal Circuit explained the PTAB never construed the “reinitialize” limitation in its Decision to Institute IPR, so it did not change course by construing the term in the Final Written Decision. Rather, in its Decision to Institute, the PTAB summarized DISH’s arguments addressing how a PHOSITA would interpret the disclosures in *Bowie*. In the Final Written Decision, the PTAB explained what its understanding of the limitation was in the context of the prior art, explaining that “[the PTAB is] still persuaded that *Bowie* teaches exiting low power mode and restoring full power mode ‘without needing to reinitialize the transceiver’ because we interpret that phrase to be satisfied as long as the entire initialization process is not needed.” TQ Delta also had adequate notice of the PTAB’s understanding of the disputed claim limitation, as demonstrated by TQ Delta’s statements throughout the proceedings.

The appellate court concluded the PTAB’s determination of obviousness was supported by substantial evidence because *Bowie* states, “[t]he resume signal may be an AC signal greater than 4 kHz or may be a multi-tone AC signal.” That resume signal could be combined with the other art, and the combination of references taught all of the limitations of the pertinent claims.

Cisco Systems, Inc. v. TO Delta, LLC, No. 2018-1806, , No. 2018-1917 (July 10, 2019) (precedential) (3-0); Patent No. 8,611,404

Key point(s):

- The PTAB must follow PTAB policy of construing a claim using broadest reasonable interpretation during an IPR.

Facts/Background: Cisco Systems requested IPR of claims 6, 10, 11, 15, 16, and 20 of U.S. Patent No. 8,611,404 (“the ’404 patent”). ARRIS requested IPR of claims 1–20 of the ’404 patent. The PTAB instituted both proceedings and issued final written decisions finding, *inter alia*, that the claims were not unpatentable over a combination of the prior art. The PTAB construed illustrative claim 6’s term “synchronization signal” to mean “a signal allowing synchronization between the clock of the transmitter of the signal and the clock of the receiver of the signal.” The PTAB further clarified, when rendering its obviousness determination, that “[its] construction of ‘synchronization signal’ excludes a synchronization frame.” This appeal followed.

Holding: Vacated and remanded. Cisco and ARRIS asserted that by improperly limiting the construction of “synchronization signal” to “a signal allowing synchronization between the clock of the transmitter of the signal and the clock of the receiver of the signal,” the PTAB did not apply “the broadest reasonable [interpretation] in light of the specification of the ’404 patent.”

Because the Federal Circuit already determined that claims 6, 11, 16, and 20 of the ’404 patent would have been obvious, the appellate court explained the patentability of these claims was moot. Turning to the remaining claims in issue, the PTAB’s rule was to give “[a] claim ... its broadest reasonable construction in light of the specification of the patent in which it appears.” The PTAB’s construction of ‘synchronization signal’ excluded a synchronization frame, but, according to the appellate court, the ’404 patent’s claims and specification teach that “synchronization signal” means “a signal allowing frame synchronization between the transmitter of the signal and the receiver of the signal,” and is not limited to describing what the signal must synchronize or to a particular type of synchronization. The specification describes “[o]ther forms of timing signals” that may be used, as well as one embodiment as “advantageous[.]” As such, without any clear indication otherwise in the specification, synchronization is not restricted to the “advantageous” clock-based preferred embodiment as described in the specification. Additionally, the ’404 patent’s “timing reference signal” provides the reference for both frequency and frame synchronization, and the presence of frame synchronization requires frequency synchronization. Contrary to the PTAB’s conclusion, the Federal Circuit determined that the broadest reasonable interpretation of the disputed claim term “synchronization signal” is simply “used to establish or maintain a timing relationship between transceivers between the transmitter of the signal and the receiver of the signal,” meaning “synchronization signal” includes frame synchronization.

In re JS ADL, LLC, No. 2018-2017 (July 11, 2019) (nonprecedential) ; Trademark App. No. 87/200,423

Key point(s):

- Minor distinctions in spelling and pronunciation are not enough to overcome similarity in overall commercial impression of marks.
- Registrations do not demonstrate that consumers actually are conditioned to distinguishing among marks; one needs evidence of use of the marks.

Facts/Background: The USPTO refused registration of JS ADL's mark **ARTISAN✿NY** for clothing items on the grounds of likelihood of confusion with a previously registered mark, ARTESANO NEW YORK CITY (No. 3840723), which is registered for many of the same clothing items. JS ADL appealed to the TTAB, which affirmed the refusal. This appeal followed.

Holding: Affirmed. JS ADL argued that ARTESANO NEW YORK CITY is an inherently weak mark, with examples of third parties using marks that are variations of ARTISAN or ARTESANO and other marks containing variants of NY or NEW YORK CITY. JS ADL also argued that ARTESANO suggests clothing items made by skilled tradespersons and NEW YORK CITY is descriptive, and thus, because the formative words themselves are not distinct, the TTAB erred in placing any weight on the strength of ARTESANO NEW YORK CITY. The PTO responded that a mark built with weak individual components is not necessarily entitled only to a narrow scope of protection. The PTO further noted that JS ADL presented no evidence of actual third-party use, as opposed to third-party trademark registrations, that would have allowed the TTAB to find that "consumers actually are conditioned to distinguishing among marks including ARTISAN or NY/NEW YORK." JS ADL also argued that the TTAB placed too much weight on the similarity between ARTISAN and ARTESANO and failed to duly consider other differences. JS ADL also contended that the TTAB erred in finding that ARTISAN and ARTESANO are highly similar in appearance and sound, because ARTESANO has an extra syllable and the words are pronounced differently. Finally, JS ADL asserted that the TTAB offered no support for its conclusion that a consumer would perceive that ARTESANO has the same meaning as ARTISAN. The PTO argued that the TTAB reasonably found that the dominant portions of the marks, ARTISAN and ARTESANO, are confusingly similar and that the other differences contribute less to the overall commercial impression of the marks. The PTO also argued that substantial evidence supports the TTAB's finding that ARTISAN and ARTESANO are confusingly similar because minor lettering differences may not distinguish a similar word in a cited mark.

The Federal Circuit held the TTAB did not place undue weight on the ARTISAN and ARTESANO portions of the marks. While a mark must be considered as a whole, "[m]ore dominant features ... weigh heavier in the overall impression of the mark." The TTAB expressly made findings regarding the other features of the marks. While the TTAB had found that NY and NEW YORK CITY are routinely disclaimed as descriptive geographical terms, it found that both ARTESANO NEW YORK CITY and **ARTISAN✿NY** suggest clothing created by tradespersons in the City or State of New York. The appellate court concluded the TTAB was entitled to find that the cross-stitch in JS ADL's proposed mark only suggests clothing items identified under the mark and as a result it contributes little to the overall commercial impression of the mark. The minor distinctions in spelling and pronunciation advanced by JS ADL did not demonstrate error in the TTAB's analysis of the overall commercial impression of the marks.

Indivior Inc., v. Dr. Reddy's Laboratories, S.A., Nos. 2017-2587, 2018-1010, 2018-1058, 2018-1062, 2018-1114, 2018-1115, 2018-1176, 2018-1177, 2018-1949, 2018-2045 (July 12, 2019) (precedential) (2-1); Patent Nos. 8,603,514; 8,900,497; and 8,017,150

Key point(s):

- Repeatedly disparaging an embodiment may disclaim it.
- Claim construction tactical decisions cannot be undone through Fed R. Civ. P. 59.

Facts/Background: Indivior sued three defendants for infringement of three patents involving pharmaceutical films. The trial court found infringement of the '514 patent against defendant Watson, which did not meet its burden to prove the patent invalid as indefinite, and denied Watson's motion for Rule 59 relief. The trial court found the other defendants did not infringe the '514 and '497 patents due to drying the film using overhead convection heaters. The trial court did find that the '514 patent was not invalid, as it was not indefinite for claiming a flowable film, nor was it obvious over three prior art references. Finally, the trial court found the '150 patent was not infringed under the doctrine of equivalents as the patent disclosed an alternative material without claiming it, thus dedicating it to the public.

Holding: Affirmed. On appeal, the defendants argued that: (1) the patents were invalid as obvious, (2) the '514 patent was invalid as indefinite for claiming a flowing solid, and (3) the '514 patent was not infringed by Watson or that Watson was eligible for Rule 59 relief. Indivior cross-appealed, asserting that the defendants infringed the '514 and/or '150 patents. For the '514 patent, the appeal focused on whether the specification disclaimed convection air drying from above due to disparaging text in the specification. Watson had not requested such a construction in its case, leading to the adverse decision and the request for Rule 59 relief. The defendants also claim that a flowable cast film is indefinite under § 112 as a physical impossibility, flowable yet solid. Finally, one defendant asserted the '514 patent was obvious in light of three prior art references.

The Federal Circuit held the specification repeatedly disparaged overhead convection air drying as not producing uniform films and creating undesirable "ripple effects." Description of other factors that affect film uniformity and the use of zone drying techniques do not alter the disclaimer. Since Watson had not requested a construction requiring overhead drying, the Federal Circuit held Watson had made a tactical choice to create a stronger invalidity position at the expense of infringement, and affirmed the judgement and denial of Rule 59 relief. The Federal Circuit also affirmed the decision that the claims were not indefinite as the specification identifies a flowable medium that dries into a film, and the word "comprising" does not require all elements to be present simultaneously. Finally, the appellate court found no clear error in the trial court's non-obviousness determination as the prior art only disclosed wet or non-uniform films and secondary considerations supported non-obviousness. The Federal Circuit affirmed the holding that the disclosure-dedication rule applied to the '150 patent, so Indivior could not reclaim the subject matter through the doctrine of equivalents.

Samsung Electronics Co., Ltd. v. Infobridge Pte. Ltd., Nos. 2018-2007, 2018-2012 (July 12, 2019) (precedential) (3-0); Patent No. 8,917,772

Key point(s):

- The standard for whether a reference can be prior art is whether the reference was accessible, not whether it was accessed.

Facts/Background: In two IPRs requested by Samsung, the PTAB upheld all challenged claims of Infobridge's Patent 8,917,772 ("the '772 patent"). The PTAB found that Samsung failed to show that Working Draft 4 of the H.265 standard ("the WD4 reference"), which was developed by the Joint Collaborative Team on Video Coding ("JCT-VC"), was publicly accessible before the '772 patent's critical date and thus could not be considered prior art. WD4 was uploaded to websites operated by JCT-VC and the Motion Picture Expert Group ("MPEG"), a parent organization of the JCT-VC, prior to the critical date. Documents at the two websites were organized based on meeting locations and were not subject-indexed. Also, neither website provided a subject-based search. A link to the WD4 reference was emailed to a JCT-VC listserv on the same day it was uploaded. Any person could subscribe to the JCT-VC reflector by requesting a subscription at the JCT-VC reflector management site and "anyone with a valid e-mail address requesting subscription was typically approved." There were 254 subscribers to the listserv, but the PTAB found this did not establish accessibility because the PTAB could not determine that "those 254 individuals represented a significant portion of those interested and skilled in the art." This appeal followed.

Holding: Vacated and remanded. Samsung argued that the PTAB applied the wrong legal standard in assessing public accessibility of the WD4 reference.

According to the Federal Circuit, the lack of subject-indexing and subject-based search functionality are substantial evidence that a person of ordinary skill in the art would not have been able to find the WD4 reference on the JCT-VC and MPEG websites, even after exercising reasonable diligence. However, the PTAB erred by confusing access with accessibility. Substantial evidence showed a person of ordinary skill in the art *could*, after exercising reasonable diligence, access the WD4 reference. Samsung did not need to establish that specific persons actually accessed or received the WD4 reference to show it was publicly accessible. The PTAB should have considered whether Samsung's evidence established that an ordinarily skilled artisan could have accessed the WD4 reference, after exercising reasonable diligence, based on the listserv email. This might include examining whether a person of ordinary skill, exercising reasonable diligence, would have joined the listserv and/or considering the circumstances of the email itself, for example why the email was sent and whether it was covered by an expectation of confidentiality. Because the record was not clear on these factual questions, the Federal Circuit declined to resolve them in the first instance on appeal, vacated the PTAB's finding that the email to the listserv did not make the WD4 reference publicly accessible, and remanded so that the PTAB could consider this issue after applying the correct legal standard.

In re Greenstein, No. 2019-1382 (July 12, 2019) (nonprecedential); Patent App. No. 10/492,205**Key point(s):**

- Placing an abstract idea in the context of a computer does not create a patent-eligible application of that idea.

Facts/Background: Greenstein filed U.S. Patent Application No. 10/492,205 (the '205 Application), which is generally directed to methods for providing recommendations over the Internet for products or services. Claim 101 is representative and is directed to providing unbiased recommendations by providing independent data, processing it to present a recommendation, and “insuring” that the data is “originated by a person who is independent of at least one person who will profit depending on whether the at least one purchaser or lessor purchases or leases the goods or services.” The examiner rejected all pending claims under §101 as being directed to the abstract idea of “providing recommendations for the purchase or lease of goods or services for a purchaser or lessor,” which the examiner characterized as a fundamental economic practice. Greenstein appealed the rejection of the claims under §101 to the PTAB, which affirmed the rejection. Greenstein then appealed to the Federal Circuit.

Holding: Affirmed. Regarding step 1 of the *Alice* analysis, Greenstein argued that the claims solve a problem allegedly unique to the Internet—that the Internet enables “anonymously-sourced, conflicted recommendations” that have no analog in the pre-Internet world. However, the record established the problem of trustworthy recommendations predated the Internet. The specification “describes various existing methods of providing recommendations, including Consumer Reports,” which “provide[s] product reviews without conflicts of interest.” The Federal Circuit explained that even if, *arguendo*, the Internet presented a unique problem of trust, as Greenstein argued, the claims did not provide any concrete solution. Instead, they provided functional, results-oriented limitations like others held to be directed to abstract ideas. Regarding step 2 of the *Alice* analysis, Greenstein argued that the claims provide a solution to the problem of “anonymously-sourced, conflicted recommendations” by “insuring” that data used to arrive at the recommendation is independent of at least one person who would profit. But the problem of trustworthy recommendations is a business problem, not a technical one. As the PTAB explained, Consumer Reports, an organization which was “founded in 1927 to provide product reviews without conflicts of interest,” similarly addressed this problem by refusing to accept money or compensation from commercial enterprises. Moreover, there is no suggestion that the “insuring” step requires anything more than conventional data processing performed by a generic computer. Instead, the claims were broadly directed to the abstract idea of providing recommendations for a purchaser or lessor, without offering a technical solution as to how one would “insure” that the data relied upon originates from a person who is independent of the transaction. The claims do not recite any transformative inventive concept. The Federal Circuit opined it was well-settled that merely placing an abstract idea in the context of a computer does not create a patent-eligible application of that idea.