One of These Days: *Alice* and the Patentability of Business Methods in the Digital Era

Jeremy J. Cobb, Esq.[1]

This article discusses the United States Supreme Court's recent decision in *Alice Corp. v. C.L.S. Bank Int'l*, 134 S.Ct. 2347, __ U.S. __ (2014), relating to the patentability of abstract ideas under 35 U.S.C. § 101 (2012).[2]

INTRODUCTION

There was a time—not so long ago, it seems—when it was thought that all a patentee had to do to clear the hurdle of patentable subject matter was recite some magical words in the claims referring to a "a computer-readable medium" or the like, and, voilá, section 101 was summarily dispatched. This was the Information Age, after all, and the old rules impeded progress and thus no longer applied: computers obviated such pedestrian concerns as patentable subject matter. Yet, like the tortoise, reality has a way of winning out. And so it was with the jurisprudence of patentable subject matter. The *Alice* decision, and the cases upon which it was predicated, may finally lay to rest rumors of the obsolescence of section 101.

THE *ALICE* DECISION

In granting certiorari, the Court indicated that it felt that deciding *Alice* was necessary and worthwhile. That the Court had decided similar cases in the past—some of which are cited in *Alice*—suggests that it wanted to dispel all doubt as to what the law requires and reaffirm its former pronouncements requiring, as it were, a return to first principles. Through its ruling in *Alice*, the Supreme Court makes plain that the initial inquiry into the patentability of the claimed subject matter cannot be resolved by simplistic resort to "talismanic"[3] phrases or claim elements, such as generic digital computer systems or components, designed to circumvent it. That is, section 101 has significance without regard to the "draftsman's art"[4] and offers no special advantage to claims directed to inventions implemented by means of a digital computer. In sum, the Court's ruling reaffirms the return of patent practice to a fundamental statutory inquiry

---

[1] Mr. Cobb graduated from the University of Minnesota Law School in 2001, where he was an editor for the *Minnesota Journal of Law, Science & Technology* and named to the dean's list. He earned a bachelor of science in chemical engineering from the University of Michigan, Ann Arbor, *cum laude*, in 1995. He was a Regents-Alumni Scholar and earned Class Honors. A registered patent attorney admitted to practice before the United States Patent and Trademark Office, Mr. Cobb is patent counsel at Deep & Far, Attorneys at Law, in Taipei, Taiwan, and devotes a large portion of his practice to patents.

[2] Section 101 reads as follows: "Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title."

[3] *Alice Corp. v. C.L.S. Bank Int'l*, 134 S.Ct. 2347, 2357 __ U.S. __, ___ (2014).

[4] *Id*. at 2359-60.

stripped of the pretense of a "computer system [or] a computer-readable medium."[5] And that makes sense. When one does not understand something, it is natural to seek certainty in rules. But as science has progressed and practitioners and the courts have developed greater familiarity and comfort with complex technology, the law has appropriately evolved accordingly, moving away from rigidity and toward a more sophisticated application of section 101 that leaves room for broad discretion and case-specific analysis.

Viewed this way, the Court's approach is logical: the claims were directed to a well-known method and should not have been allowed in the first instance, nor were the non-method claims—directed to a computer system and a computer-readable medium—stripped of their generic computing pretense, meaningfully different.

GOING FORWARD

Alice means that within the context of deciding eligible subject matter, courts will redouble efforts to examine the substance of patent claims *in toto* rather than relying on specific claim language to short-circuit rational, analytical, thoughtful inquiry. And it means that courts are free to cast off some of the constraints and complexity attending rules characteristic of former approaches. That is, *Alice* marks a move toward greater certainty regarding patent eligibility, which will undoubtedly increase the efficiency of resource allocation and reduce costs for all market participants and stakeholders.

[5] *Id*. at 2360.