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CONCRETE SIGNS OF AN ABSTRACT IDEA: *VEHICLE INTELLIGENCE* MAY PEEK INTO THE FUTURE OF INVALIDITY

The patent world continues to struggle mightily with articulating the core "idea" of a patent and whether it is too "abstract," in the wake of *Alice*. But the Federal Circuit's recent nonprecedential decision in *Vehicle Intelligence* may offer some relief and guidance.

In determining whether a patent claims an "abstract idea," the Federal Circuit will apparently check whether the patentee provides sufficient "details" for the claimed solution, and whether these details improve the technological functioning of the solution or just improperly broaden its scope.

Underpinnings of *Vehicle Intelligence*

In *Vehicle Intelligence and Safety LLC v. Mercedes-Benz USA, LLC*,[1] the Federal Circuit affirmed invalidity on Section 101 grounds. But the court suggested changes to its analysis on step one of the Supreme Court's *Alice* test.[2] *Vehicle Intelligence* generally involved methods and systems for screening persons who operate equipment (such as "industrial vehicles") for impairments (such as "intoxication"), "selectively testing" those individuals, and "controlling operation of said equipment" upon discovery of impairment.[3]

After the district court ruled on claim construction, the defendants renewed a Rule 12(c) motion for judgment on the pleadings that the asserted patent claims were invalid under Section 101. Defendants asserted two grounds. First, citing the Federal Circuit's *en banc* decision in *Alice,* defendants argued the asserted claims were "not 'tethered' to any specific application of impairment testing" because they "seek to cover any conceivable way of testing for impairment."[4] Second, noting that the Federal Circuit finds

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1 No. 2015-1411, --- Fed. Appx. ----, 2015 WL 9461707 (Fed. Cir. Dec. 28, 2015).

2 In *Alice Corp. Pty. v. CLS Bank Int'l*, 134 S. Ct. 2347, 189 L. Ed. 2d 296 (2014), the U.S. Supreme Court clarified the proper two-step approach for determining whether a patent on a computer-implemented invention is invalid under 35 U.S.C. § 101 for attempting to patent an "abstract idea." The test determines, at step one, whether the patent is generally directed to an "abstract idea," and determines, at step two, whether the patent claim in question nonetheless includes an "inventive concept" sufficient to save it from invalidity. *See id.*

3 *See id.* at *1.

4 Defendants' Memorandum of Law in Support of Their Motion for Judgment on the Pleadings, *Vehicle Intelligence and Safety LLC v. Mercedes-Benz USA, LLC*, No. 1:13-cv-04417, 2014 WL 6685800 (N.D. Ill. Oct. 16, 2014) (citing *CLS Bank Int'l v. Alice Corp.*, 717 F.3d 1269, 1286 (Fed. Cir. 2013) ("The concept of reducing settlement risk

"But the court then noted that, while the patent referred to its 'expert system' as its solution to the problems in the prior art, 'neither the claims at issue nor the specification provide any details as to how this 'expert system' works or how it produces faster, more accurate and reliable results.'"

ideas to be abstract if they "can be performed entirely within the human mind," they argued that "[d]etermining whether someone is suffering from a physical, medical, or emotional impairment is a mental process that is carried out on countless occasions every day by doctors, EMTs, police officers, priests, and spouses, among others."[5]

The district court largely agreed, although its order did not articulate the defendants' argument that the claims were "not tethered to any specific application of impairment testing." Rather, the district court conducted a more traditional analysis of *Alice* step one, saying the claims "broadly relate to the concept of testing operators of any kind of moving equipment for any kind of physical or mental impairment," which "qualifies as an abstract idea" under controlling precedent.[6] The district court also said the underlying concept of detecting impairment can be carried out by the human mind.

The Federal Circuit, in affirming, expanded on the "not tethered to any specific application of impairment testing" argument.[7] The court began by saying the patent claims were drawn to "the abstract idea of testing operators of any kind of moving equipment for any kind of physical or mental impairment."[8] But the court then noted that, while the patent referred to its "expert system" as its solution to the problems in the prior art, "neither the claims at issue nor the specification provide any details as to how this 'expert system' works or how it produces faster, more accurate and reliable results." The Federal Circuit concluded its analysis by explaining:

> At best, the '392 patent answers the question of how to provide faster, more accurate and reliable impairment testing by simply stating "use an expert system." Thus, in the absence of any details about how the "expert system" works, the claims at issue are drawn to a patent-ineligible abstract idea, satisfying *Mayo*/*Alice* step one.[9]

The panel did not touch on whether a human mind could perform the patented idea.

Reading Between the Lines

Although *Vehicle Intelligence* is a nonprecedential opinion, this line of analysis shows movement toward a more workable approach for step one of the *Alice* test. If the patent lacks sufficient "details" about how to achieve the invention's objectives, this may signal that the inventor tried to claim the

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by facilitating a trade through third-party intermediation is an abstract idea because it is a disembodied concept, a basic building block of human ingenuity, untethered from any real-world application.") (internal quotes and citation omitted).

5 *Id.* (quoting *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1373 (Fed. Cir. 2011).

6 *Vehicle Intelligence and Safety LLC v. Mercedes-Benz USA, LLC*, 78 F. Supp. 3d 884, 888 (N.D. Ill. 2015).

7 The defendants, on appeal, repeated the same two arguments raised to the district court, again citing the en banc decision in *Alice* to argue that the asserted claims "are not 'tethered' to any specific application of impairment testing." Brief of Appellees, *Vehicle Intelligence and Safety LLC v. Mercedes-Benz USA, LLC*, No. 2015-1411, 2015 WL 4557655, at *10 (Fed. Cir. July 16, 2015).

8 *Vehicle Intelligence and Safety LLC v. Mercedes-Benz USA, LLC*, No. 2015-1411, --- Fed. Appx. ----, 2015 WL 9461707, at *2 (Fed. Cir. Dec. 28, 2015).

9 *Id.*, at *3.

abstract idea of a solution to a problem in the prior art. In other words, the patentee may have attempted to preempt *all* solutions to that problem rather than developing, and claiming, just one.

Thus, defendants may no longer have to spin their wheels solely on answering the questions "How do we properly articulate the underlying idea of this patent?" and "Is that idea more abstract than ideas invalidated in prior cases?" Rather, the Federal Circuit seems to be encouraging defendants to also ask, "What is the patent trying to accomplish?" and "Is the claimed solution detailed enough to avoid precluding important innovation toward the same goal?"

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On this last question, the Federal Circuit seems much more interested in details that make the solution technically better, not in details that make claims conceptually broader. Details that count are those which improve technical functioning of the solution, such as how the system "produces faster, more accurate and reliable results,"[10] not details that conceptually broaden the solution, such as "lists" of "examples of equipment within the scope of the claims," or "examples of the types of impairments its claimed methods and systems may screen for and test," or "similarly broad lists of examples of characteristics its claimed methods and systems can screen for."[11]

Weighing details of technical improvement over details of conceptual breadth gives life to the Supreme Court's observation, in affirming invalidity of the claims in *Alice*, that those claims fell short because they did not "purport to improve the functioning of the computer itself" or "effect an improvement in any other technology or technical field."[12]

The Federal Circuit may also be signaling an increased tolerance for importing aspects of other theories of invalidity into Step One of the *Alice* test, such as indefiniteness, novelty, written description, and enablement.

The parallels with indefiniteness are especially intriguing, as the defendants moved for invalidity under Section 101 *prior* to claim construction, and then renewed that motion after "expert system" was construed.

At claim construction, the defendants did not argue that "expert system" was indefinite under *Nautilus*.[13] The defendants did, however, announce that they would renew their Section 101 invalidity motion regardless of how the court construed "expert system," and argued that the patentee's construction—if adopted—would render the term indefinite.[14] The district court entered a construction for "expert system" that was much closer to the defendant's proposed construction than to the patentee's, and did not find the term indefinite.[15]

10 *Vehicle Intelligence and Safety LLC v. Mercedes-Benz USA, LLC*, No. 2015-1411, --- Fed. Appx. ----, 2015 WL 9461707, at *3 (Fed. Cir. Dec. 28, 2015).

11 *Id.* at *1.

12 *Alice Corp. Pty. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2359, 189 L. Ed. 2d 296 (2014).

13 *Vehicle Intelligence and Safety LLC v. Mercedes-Benz USA, LLC*, No. 1:13-cv-04417, ECF No. 71, 2014 WL 3726768 (N.D. Ill. June 12, 2014).

14 *Id.*

15 *Vehicle Intelligence and Safety LLC v. Mercedes-Benz USA, LLC*, No. 1:13-cv-04417,

Despite similarities between the Federal Circuit's analysis of *Alice* step one and an indefiniteness analysis, the Federal Circuit took no notice of these claim construction proceedings. This might signal to district courts in the future that it is not necessary to wait until *after* claim construction to rule on Section 101 invalidity motions.

On the other hand, had the defendants already argued indefiniteness and failed, then the Federal Circuit might have been more inclined to factor claim construction proceedings into its analysis. This might especially be the case if the district court rejected indefiniteness after making factual findings of the type entitled to deference under the Supreme Court's recent decision in *Teva*.[16]

"In the meantime, defendants arguing Section 101 invalidity should consider adding argument at step one of the *Alice* test about why the patented solution is not sufficiently detailed, or that it relies too heavily on details that conceptually broaden—rather than technologically improve—that solution."

The Takeaway

Patent litigators and prosecutors should keep a close eye on how the Federal Circuit develops the *Vehicle Intelligence* approach in precedential opinions.

In the meantime, defendants arguing Section 101 invalidity should consider adding argument at step one of the *Alice* test about why the patented solution is not sufficiently detailed, or that it relies too heavily on details that conceptually broaden—rather than technologically improve—that solution.

Patentees, too, might be able to get mileage out of the *Vehicle Intelligence* case if their patent seems facially directed to an abstract idea, but the patentee can point to details that improve the functioning of the solution.

ECF No. 92, 2014 WL 3726768 (N.D. Ill. Sept. 18, 2014).

16 *Teva Pharm. USA, Inc. v. Sandoz, Inc.*, 135 S. Ct. 831 (2015).