

**BUSINESS METHODS THAT DEPEND ENTIRELY
ON MENTAL PROCESSES ARE NOT PATENTABLE**

The Court of Appeals for the Federal Circuit clarified the scope of patentable subject matter under Section 101 of the Patent Act in its *In re Comiskey* decision on September 20, 2007.¹ Section 101 defines patentable subject matter as “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.”² The court held, in a unanimous decision, that a method for mandatory arbitration involving legal documents was an unpatentable mental process. The court clarified that such a method could constitute patentable subject matter if combined with a computer or communications device, but that a “routine” combination of a computer or other electronic device and an otherwise unpatentable mental process would be *prima facie* obvious and thus invalid under Section 103 of the Patent Act.³ This decision has implications for business method patents that do not involve the use of computers or other electronic devices, as well as for those that do.

Background

Mr. Comiskey filed a patent application in December 1999 that describes a method and system for using mandatory arbitration to resolve disputes over legal documents such as wills or contracts. The patent application has 59 claims, only some of which require the use of a computer or other communications device.

Independent claim 1 does not require the use of a computer. It recites a “method for mandatory arbitration resolution regarding one or more unilateral documents” (such as wills) comprising the following six steps: (1) enrolling or registering the unilateral document and its author, (2) inserting binding arbitration language into the unilateral document, (3) enabling a complainant to submit a request for binding arbitration, (4) conducting the arbitration, (5) providing support to the arbitration, and (6) determining a final and binding award.⁴

In contrast, independent claim 17 recites a “system for mandatory arbitration resolution regarding one or more unilateral documents” that has the following additional computer-related limitations: (1) a registration module, (2) an arbitration database, (3) an arbitration resolution module, and (4) a means for selecting an arbitrator from an arbitration database.⁵ Other claims specify that “access to the mandatory arbitration is established through the Internet, intranet, World Wide Web, software applications, telephone, television, cable, video [or radio], magnetic, electronic communication, or other communications means.”⁶

¹ *In re Comiskey*, No. 2006-1286 (Fed. Cir. Sept. 20, 2007).

² 35 U.S.C. § 101 (2007).

³ 35 U.S.C. § 103 (2007).

⁴ *See Comiskey*, No. 2006-1286, slip op. at 2-3.

⁵ *Id.* at 4.

⁶ *Id.*

The U.S. patent office rejected all of the claims as obvious in light of several prior art references, and Mr. Comiskey appealed that decision to the Federal Circuit. The court raised the subject matter patentability issue *sua sponte* during oral argument and asked the parties for supplemental briefing on the issue.

Patentable Subject Matter

The court held that all of the claims that do not require a computer or communications devices are unpatentable mental processes. The court explained that even though the patent application could be categorized as a business method, that does not automatically make it patentable. Although the court held in *State Street Bank* that business methods can be patented, such methods are subject to the same patentability requirements as any other process or method.⁷

The scope of patentable subject matter under Section 101 is generally very broad. The U.S. Supreme Court has noted that “Congress intended statutory subject matter to include anything under the sun that is made by man.”⁸ However, the Supreme Court and the Federal Circuit have consistently held that abstract ideas are not patentable.⁹ A process claim reciting an algorithm or abstract idea is patentable only if “it is embodied in, operates on, transforms, or otherwise involves another class of statutory subject matter, i.e., a machine, manufacture, or composition of matter.”¹⁰ Mental processes standing alone are not patentable, even if they have a practical application.¹¹

The court emphasized that “the application of human intelligence to the solution of practical problems is not in and of itself patentable.”¹² Because many of the claims merely recite the use of mental processes to resolve a legal dispute, they are not patentable, even if they describe an allegedly novel way of requiring and conducting arbitration.

Obviousness

The court held that independent claim 17 and similar claims could be patentable because “[w]hen an unpatentable mental process is combined with a machine, the combination may produce patentable subject matter.”¹³ Although the court held that the computer-related claims satisfy Section 101, it remanded to the patent office to determine whether those claims are invalid as obvious. The court did not reach the issue of obviousness over the prior art relied on by the patent office. The court concluded that the claims merely add a computer or a communications device to an otherwise unpatentable mental process, and the “routine addition of modern electronics to an otherwise unpatentable invention typically creates a prima facie case of obviousness.”¹⁴

⁷ *Id.* at 13 (discussing *State St. Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368 (Fed. Cir. 1998)).

⁸ *Id.* at 15 (citing *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980)).

⁹ *Id.* at 16.

¹⁰ *Id.* at 17.

¹¹ *See id.* at 19-20.

¹² *Id.* at 21.

¹³ *Id.* at 23.

¹⁴ *Id.*

During prosecution, Mr. Comiskey argued that secondary considerations demonstrated that the patent claims were not obvious. In particular, he submitted a declaration that, based on his experience representing clients involved in family disputes, he believed that there was a long-felt need for his invention. The court said that this evidence of secondary considerations was not pertinent, because the only evidence of long-felt need was for the unpatentable mental process itself, *not* for the combination of the computer and the mental process.¹⁵

The court remanded for the patent office to determine “whether the addition of general purpose computers or modern communications devices to Comiskey’s otherwise unpatentable mental process would have been obvious to a person of ordinary skill in the art.”¹⁶

Implications Of The Case

Business method patents that *do not* require the use of a computer or other electronics are now more likely to be found invalid. *Comiskey* emphasizes that process claims reciting abstract ideas are patentable only if the process involves one of the other statutory classes of subject matter (i.e., a machine, manufacture, or composition of matter).¹⁷ The decision also suggests that pure legal techniques and strategies are not patentable, even if they are novel.

The decision also has implications for the obviousness of business method patents that *do* recite computers or other modern electronics because, as the court stated, the routine combination of a computer and an otherwise unpatentable mental process is *prima facie* obvious.

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¹⁵ *Id.* at 24.
¹⁶ *Id.* at 25.
¹⁷ *Id.* at 18.