

ALERT

Federal Circuit Patent Bulletin: *Secured Mail Sols. LLC v. Universal Wilde, Inc.*

November 16, 2017

"The fact that an identifier can be used to make a process more efficient, however, does not necessarily render an abstract idea less abstract."

On October 16, 2017, in *Secured Mail Sols. LLC v. Universal Wilde, Inc.*, the U.S. Court of Appeals for the Federal Circuit (Prost, Clevenger, Reyna*) affirmed the district court's dismissal of Secured's complaint because the asserted claims of U.S. Patents No. 7,814,032, No. 7,818,268, No. 8,073,787, No. 8,260,629, No. 8,429,093, No. 8,910,860, and No. 9,105,002, which related to methods whereby a sender affixes an identifier on the outer surface of a mail object (e.g. envelope or package) before the mail object is sent, were patent ineligible under 35 U.S.C. § 101. The Federal Circuit stated:

The Patent Act defines patent-eligible subject matter as "any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof." 35 U.S.C. § 101. The courts have created certain exceptions to the literal scope of § 101, determining that laws of nature, natural phenomena, and abstract ideas are not patent-eligible. In *Alice*, the Supreme Court applied a two-step framework for analyzing whether claims are patenteligible under section 101. First, we determine whether the claims at issue are "directed to" a judicial exception, such as an abstract idea. If not, the inquiry ends. If the claims are determined to be directed to an abstract idea we next consider under step two whether the claims contain an "inventive concept" sufficient to "transform the nature of the claim into a patent-eligible application."

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Under Alice step one we consider the claims in their entirety to ascertain whether they are directed to ineligible subject matter. We look to whether the claims “focus on a specific means or method[, . . .] or are instead directed to a result or effect that itself is the abstract idea and merely invokes generic processes and machinery.” The district court found that the claims of all seven of the asserted patents “are directed to the abstract idea of communicating information about a [mail object] by use of a marking.” [T]he claims of Secured Mail’s patents are not directed to an improvement in computer functionality. For example, the claims are not directed to a new barcode format, an improved method of generating or scanning barcodes, or similar improvements in computer functionality. Secured Mail argues that the claims are specifically directed to a sender-generated unique identifier, which improved on the existing process both by reliably identifying the sender of the mail object and by permitting the sender to create a bi-directional communication channel between the sender and recipient of the mail object. The fact that an identifier can be used to make a process more efficient, however, does not necessarily render an abstract idea less abstract. . . .

The claims of the three sets of patents are not limited by rules or steps that establish how the focus of the methods is achieved. Instead, the claims embrace the abstract idea of using a marking affixed to the outside of a mail object to communicate information about the mail object, i.e., the sender, recipient, and contents of the mail object. Because the claims are directed to an abstract idea, we turn to the second step of the Alice inquiry.

In step two, we consider the elements of the claims to determine whether they transform the nature of the claim into a patent-eligible application of the abstract idea. This is the search for an inventive concept, which is something sufficient to ensure that the claim amounts to significantly more than the abstract idea itself. “To save a patent at step two, an inventive concept must be evident in the claims.” Merely reciting the use of a generic computer or adding the words “apply it with a computer” cannot convert a patent-ineligible abstract idea into a patent-eligible invention. . . .

The claims in Secured Mail’s patents are non-specific and lack technical detail. Rather than citing a specific way to solve a specific problem[,] the asserted claims cite well known and conventional ways to allow generic communication between a sender and recipient using generic computer technology. The fact that many of these technologies were well-known can be discerned from Secured Mail’s patents themselves. The patents mention that the invention can be performed using many types of hardware, including “personal computers, set top boxes, personal digital assistances (PDAs), mobile phones, land-line phones, televisions, bar code readers, and all other physically and wirelessly connected reception devices generally known to those skilled in the art,” suggesting that the hardware used is conventional. . . . We see no inventive concept that transforms the nature of the claims into a patent-eligible application of the abstract idea.