

When Dismissal Of A Covered Business Method Proceeding Is Not Appropriate

Article By:

Intellectual Property Practice Group

On August 26, 2015, in CBM2015-00022, the Patent Trial and Appeal Board (PTAB) refused to terminate a Covered Business Method (CBM) proceeding as being moot in view of a district court decision that the challenged claims of the patent are invalid under 35 U.S.C. 101.

More specifically, MyMedicalRecords, Inc., the owner of U.S. Patent No. 8,301,466 ('466 patent) for "Method and system for providing online records" informed the PTAB that on December 23, 2014, the District Court for the Central District of California held that each of the challenged claims of the '466 patent is directed towards patent ineligible subject matter. MyMedicalRecords had initially appealed the District Court's decision, but subsequently had the case voluntarily dismissed at the Federal Circuit. Accordingly, MyMedicalRecords asserted to the PTAB that issue of subject matter eligibility was settled and that it would be proper for the PTAB to dismiss the CBM proceeding under 37 C.F.R. 42.72, rather than enter a judgment. The cited rule, 37 C.F. R. 42.72, states "[t]he Board may terminate a trial without rendering a final written decision *where appropriate . . .*" The PTAB determined that it would be inappropriate to dismiss the CBM.

In refusing to dismiss the CBM proceeding, the PTAB stated that the CBM instituted against claims 8-12 of the '466 patent is distinct and independent from the appeal from the District Court's holding. In particular, the PTAB stated that the CBM was not at a preliminary phase. Rather, the PTAB had already issued a decision to institute review of the '466 patent by the time MyMedicalRecords requested that the CBM be dismissed.

The PTAB then proceeded to find that challenged claims 8-12 are indeed patent ineligible because they merely recite the concept of user management performed by a generic computer, do not improve the functioning of the computer itself, and do not provide an improvement to another technology or technical field. In reaching its decision, the PTAB relied on the declaration of an expert that the recited elements of the claims, such as a server, storing files in a computer readable storage medium, a user interface on a computing device, passwords, and receiving files that include image format files, were well-known conventional concepts on September 12, 2005, the priority date of the '466 patent.

The takeaway from CBM2015-00022 is that the PTAB is not required to dismiss a proceeding regarding the patentability of challenged claims when concurrent litigation has reached a conclusion

on the patentability of the claims. Rather, the proceeding at the PTAB is independent and distinct, and is likely to go forward if the PTAB has already issued a decision to institute review of the challenged patent.

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National Law Review, Volume V, Number 243

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