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Double-Checking Alice Using Common-Sense Distinctions Between Ends and Means

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Following its decision in *Enfish* (*IP Update*, Vol. 19, No. 6), the US Court of Appeals for the Federal Circuit provided additional guidance on determining whether a patent claim includes an inventive concept, thereby rendering it patent eligible under the Supreme Court of the United States' *Alice* decision (*IP Update*, Vol. 17, No. 7). *Electric Power Group, LLC, v. Alstom S.A.*, Case No. 15-1778 (Fed. Cir., Aug. 1, 2016) (Taranto, J). Specifically, the Federal Circuit explained "one helpful way of double-checking" the patentability of patent claims under *Alice* by "invoking an important common-sense distinction between ends sought and particular means of achieving them, between desired results (functions) and particular ways of achieving (performing) them."

The dispute in *Electric Power* centered on the eligibility of three patents owned by Electric Power. The patents describe and claim systems and methods for performing real-time performance monitoring of an electric power grid by collecting data from multiple data sources, analyzing the data and displaying the results. The district court evaluated a representative claim under the two-prong test of *Alice*. The first part of the *Alice* inquiry looks at the "character" of the claim as a whole to see if it is directed to an abstract concept. The second part (if reached) looks more precisely at what the claim elements add—that is, whether they limit the claim to an "inventive concept."

The Federal Circuit agreed with the district court that the asserted claims were directed to "the abstract idea of monitoring and analyzing data from disparate sources." The Federal Circuit has previously recognized in *Content Extraction* (*IP Update*, Vol. 18, No. 1) and *Ultramercial* "that merely presenting the results of abstract processes of collecting and analyzing information, without more (such as identifying a particular tool for presentation), is abstract as an ancillary part of such collection and analysis" and not patent-eligible subject matter. Unlike the claims in *Enfish*, which involved improvements to computer functionality where the computer serves as a tool, the asserted claims were focused on independently abstract ideas that use computers as tools. The Federal Circuit noted that merely limiting such claims to a particular technological environment, such as power-grid monitoring, is insufficient to transform the claims into a patent-eligible application of the abstract ideas. Indeed, there was nothing new about the asserted claims: "The claims in this case do not even require a new source or type of information, or new techniques for analyzing it."

Turning to the second part of the *Alice* inquiry, the Federal Circuit concluded that the asserted claims "lack[ed] an inventive concept in the application of that abstract idea." The Court observed that the

claims' "invocation of computers, networks, and displays" was insufficient because the claims at issue required neither "nonconventional computer, network, or display components" nor "non-conventional and non-generic arrangement of known, conventional pieces." The asserted claims merely called for performance on a set of generic, off-the-shelf computer components and display devices. Accordingly, the asserted claims were found to claim patent-ineligible subject matter. Notwithstanding the impressive length of the claims, the Court found that they did "not go beyond requiring the collection, analysis, and display of available information in a particular field, stating those functions in general terms, without limiting them to technical means for performing the functions that are arguably an advance over conventional computer and network technology. The claims, defining a desirable information-based result and not limited to inventive means of achieving the result, fail under § 101."

The Federal Circuit agreed with the district court's reasoning that "there is a critical difference between patenting a particular concrete solution to a problem and attempting to patent the abstract idea of a solution to the problem in general," but made clear that the difference was just "one helpful way of double-checking the application of the Supreme Court's [*Alice*] framework to particular claims" because "claims [that are] so result-focused, so functional, as to effectively cover any solution to an identified problem" preempt innovation.

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