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Federal Circuit in Visual Memory Struggles with Alice Test (Part Two)

Article By:

James L. Reed

In Part One of this post, I summarized the Federal Circuit's recent ruling on patent eligibility in *Visual Memory LLC v NVIDIA Corp.* In this second part I look at Judge Hughes' dissent and the majority's response to Hughes.

Dissent

Judge Hughes believed the claims could not be described at a lower level of abstraction than categorical data storage. Hence, he agreed with the district court's conclusion of patent-ineligibility. According to Hughes, there was no description for how to implement the programmable operational characteristic (POC) of the claim and everything else in the claim described only generic computer components. The lack of a description for the POC was critical to the *Alice* inquiry, according to Hughes. Because without a description for how to implement the POC the '740 patent required "someone else to supply the innovative programming effort." For this reason the POC was not "properly described as directed to an improvement in computer systems." Instead, the claim was directed to the abstract idea of categorical data storage.

Hughes thus found the majority's assessment of the '740 patent flawed because the lack of description for a POC was not properly factored into the majority's directed-to inquiry under Step 1 of *Alice*. Hughes felt the appropriate way to assess the claim's level of abstractness was to focus on the lack of a technical description for this term, then reach a conclusion of ineligibility on this basis. This emphasis on assessing a claim's abstractness in light of an accompanying technical description, or lack thereof, when applying the *Alice* test, is apparent when Hughes contrasts the *Enfish* claims with the '740 patent claims:

> We knew the "claims [in *Enfish* were] directed to a specific implementation of a solution to a problem," . . . because the specification contained a four-step algorithm for implementing the claimed self-referential table . . . .

Here, the '740 claims are not directed to a specific means or method of implementing a

"programmable operational characteristic." . . . The claim does not provide any specific limitations on the "programmable operational characteristic," making it a purely functional component. The "programmable operational characteristic" is nothing more than a black box for performing the abstract idea of storing data based on its characteristic, and the patent lacks any details about how that is achieved.

Majority's Response to Hughes

The majority reached its decision of patent eligibility with less regard to the description provided for the POC because, in the majority's view, this description was not the pertinent factor to consider under Step 1 of the *Alice* test. According to the majority, Step 1 of *Alice* was concerned with the innovation envisioned by the inventors and whether *that* innovation, as reflected in the claims and Specification, is patent-eligible or something that qualifies as an abstract idea. This view is revealed in the majority's response to Hughes:

> . . . [T]he dissent assumes that the "innovative" effort in the '740 patent lies in the '740 patent lies in the programming required for a computer to configure a programmable operational characteristic of a cache memory. This assumption is inconsistent with the patent specification itself. The specification makes clear that the inventors viewed their innovation as the creation of "a memory system which is efficiently operable with different types of host processors," . . . [B]oth the specification and the claims expressly state that this improved memory system is achieved by configuring a programmable operational characteristic of a cache memory based on the type of processor connected to the memory system. . . . Configuring the memory system based on the type of processor connected to the memory system is the improvement in computer technology to which the claims are directed. *Alice* requires no more from the claims or the specification to support our conclusion that the claims are not directed to an abstract idea.

In the majority's view, the claims were focused on configuring a memory system based on the type of processor connected to the memory system, not how to configure that memory system using a POC. A lack of description for the POC, therefore, was not that relevant because the POC was not the "innovation" to which the claims were directed-to.

Conclusion

The exchange between majority and dissent in *Visual Memory* may be summed up as a difference of opinion between, on the one hand, the relative importance of what the inventors considered an innovation and, on the other hand, the patent specification's detailed description, or lack thereof, when deciding what claims are directed-to under Step 1 of *Alice*. The majority placed greater importance than the dissent on what the inventors saw as the innovation. The dissent was less willing to narrow the *Alice* inquiry to what the inventors considered innovative. Instead, the dissent found it more important to decide whether claims are patent-eligible based on the level or quality of the patent's detailed description accompanying the claims.

The opinions expressed by the divided court in *Visual Memory* highlight a real, substantive dispute over how to apply Step 1 of *Alice* and challenge the view held by some commentators that the Federal Circuit's eligibility decisions are panel-dependent. The contrasting views on eligibility

expressed by the dissent and majority will have to be followed closely for future cases.

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