

BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC, AT&T
Corp. (decided June 27, 2016)
by David Neal

See decision [here](#).

BASCOM sued AT&T for infringement of BASCOM's U.S. Patent No. 5,987,606. The case was dismissed by the District Court on the grounds that the claims of the '606 patent are invalid under 35 U.S.C. § 101. BASCOM appealed the motion to dismiss on the grounds that the claims contain an "inventive concept" sufficient to satisfy the second step of the Supreme Court's *Alice* test. See *Alice Corp. Pty. Ltd. V. CLS Bank International*, 134 S. Ct. 2347 (2014). The Federal Circuit held that the claims of the '606 patent, while abstract, contain significantly more than a mere abstract idea and are thus valid, thereby vacating the dismissal and remanding for further proceedings.

Any new and useful process, machine, manufacture, or composition of matter is patent-eligible under 35 U.S.C § 101. An implicit judicial exception to this has long been held to be laws of nature, natural phenomenon, and abstract ideas. In *Alice*, the Supreme Court established a two-step test to determine patent-eligibility. First, determine if the subject matter of the patent is directed to a judicial exception. If it is, determine if the steps of the claims, separately or in combination, amount to significantly more than that judicial exception.

In evaluating the first step of the *Alice* test, both the District Court and Federal Circuit found that the '606 patent was directed towards "filtering content," "filtering Internet content," or "determining who gets to see what" which is a well-known method of organizing human activity and is abstract. For the second step, the District Court identified each of the claimed elements in the prior art and considered this not to be significantly more. In contrast, the Federal Circuit found that an "inventive concept" (or significantly more) can indeed "be found in the non-conventional and non-generic arrangement of known, conventional pieces." *BASCOM Global Internet Services, Inc. v. AT&T Mobility LLC*, No. 2015-1763 (Fed. Cir. June 27, 2016).

The Federal Circuit found that the claims require specific application or improvement to existing technology in the marketplace. Such claims are not so abstract as to be invalid under the judicial exception for abstractness. Further, the '606 patent does not claim the abstract

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idea of filtering applied to the Internet (an abstract-idea-based solution implemented with generic technical components in a conventional way), but rather it claims a technology based solution to a problem specific to the Internet. The Federal Circuit found the claims to improve over the prior art, making the filtering solution more dynamic and efficient. The claims provide a software-based invention that improves the performance of the computer system itself (or how it interacts with the Internet). The claims require a filtering system in a specific location (a remote ISP server) and require specific features (user ability to customize filtering for individual network accounts).

This case provides more understanding in how to navigate the post-*Alice* minefield of 35 U.S.C. § 101 abstractness rejections towards successful claim allowance. Filtering of content is identified as a specifically abstract process, which adds additional clarity to the definition of abstractness.

The Federal Circuit provides guidance on the definition of “significantly more” in the *Alice* test. First, improvements to existing technologies, even with generic components, are considered significantly more if the combination of those components is non-generic or non-conventional. Second, the presence of generic elements, including computer elements, does not prevent those elements from defining a specific setting for a problem and a claimed, patent-eligible technology-based solution; the solution in that setting being significantly more than the abstract idea itself. Finally, claims that do not recite the abstract idea itself, but rather specific solutions to specific problems in specific settings, are considered significantly more than merely abstract.

The concurrence considers that the two-step protocol for determining patent-ineligible abstract ideas may not always be necessary. Instead, patent laws should be given a wide scope. Focusing on patentability instead of patent eligibility is suggested, especially due to the lack of a clear guideline on what is considered abstract. If the claims are unpatentable under sections 102, 103, or 112, then any question of abstractness is moot. If the claims are patentable under those sections, they should be clear enough and limited enough as to not be claiming an abstract idea or at least contain significantly more.