

MCRO v. Bandai – An Updated Look at Subject Matter Eligibility of
Software Methods
by Gregory Lunt

On September 13, 2016, the U.S. Court of Appeals for the Federal Circuit issued an opinion that provides additional guidance to [patent law](#) practitioners regarding patentable subject matter under 35 U.S.C. 101.

In *MCRO, Inc. v. Bandai Namco Games America, Inc.* (Fed. Cir. 2016), Bandia was sued for infringing patent claims directed to a system that automatically performs lip-synchronization for 3D animated characters. Bandai challenged MCRO's claims as being invalid under 101. Specifically, Bandai argued that MCRO's methods for generating the lip synchronization and facial expressions were nothing more than automating a manual process, or applying a known method on generic computing system, as was held to be the case in *Alice Corp. v. CLS Bank International*, 134 S. Ct. 2347 (2014).

The court in MCRO began by applying the two-part *Alice* analysis, first looking to see whether the claims were directed to an abstract idea. In their analysis, the Court noted that the steps in MCRO's automated lip-synchronization method were different than the steps performed in the corresponding manual process. "While the rules are embodied in computer software that is processed by general-purpose computers, Defendants provided no evidence that the process previously used by animators is the same as the process required by the claims." (*MCRO*, p. 24). "This is unlike *Flook*, *Bilski*, and *Alice*, where the claimed computer-automated process and the prior method were carried out in the same way. *Flook*, 437 U.S. at 585-86; *Bilski*, 561 U.S. at 611; *Alice*, 134 S. Ct. at 2356." (*MCRO*, p. 25)

The Court's analysis seems to strongly suggest that if a new, computer-automated process is different than its corresponding manual process, it can be eligible subject matter under 101. Indeed, on this basis, the Court held that MCRO's claims were subject matter eligible under 101 under the first step of the *Alice* analysis.[\[1\]](#)

Going forward, this case seems to be a boon for patent practitioners looking to [overcome 101 Alice-type rejections](#). Arguments may be structured to point out that a client's claims are not merely automating a known manual process, but are automating a process that is not known to have been previously performed manually. The latter, according to *MCRO*, can be patent-

eligible.

[1] Interesting, although unsuccessful arguments regarding preemption were also made by Bandai, suggesting that if the claims were allowed to stand, all automated lip-synchronization of 3D characters would be preempted. The Court noted that because MCRO could show other plausible methods of performing automated lip-synchronization of 3D characters, the claims would not be so broad as to preempt all other entries into that field. As such, the preemption argument did not apply to these claims.