

## How to Avoid Having Your Patent Interpreted as a Covered Business Method (CBM) Patent

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Suppose that you have an invention disclosure that uses computers and the Internet to carry out transactions that could include financial transactions? When you draft your patent application, is there anything that you can do to avoid having your patent application and resulting issued patent from being interpreted as a covered business method patent? The answer is YES!

Let's suppose you have an invention disclosure that is related to authenticating a web page and solves problems related to providing a website to customers of financial institutions. The disclosure mentions that a customer computer may employ a modem to occasionally connect to the Internet and any merchant computer and bank computer are interconnected via a network. How do you draft the patent application including the claims such that the patent application and resulting issued patent are not considered a CBM patent?

In the United States, a CBM patent is defined under the American Invents Act (AIA) as

 patent that claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service". (AIA Section 18(d)(1).)

A CBM patent is identified by the claims properly interpreted in light of the written description. Secure Access, LLC v. PNC Bank National Association et al., Appeal No. 2016-1353, (Fed. Cir. 2017). The claims, when properly construed in light of the written description, only require one of a wide range of finance-related activities to be considered a CBM patent, examples of which can be found in previous cases such as Versata, Blue Calypso, and SightSound. However, this definition does not mean that if the invention is used by various institutions that include a financial institution it is a CBM patent. Unwired Planet, LLC. v. Google, Inc., 841 F.3d 1376, 1381-1382 (Fed. Cir. 2016).

Based on current law, when the claims are properly construed in light of the specification, a single claim that claims a method or corresponding apparatus used in the practice of a financial product or service could qualify as a CBM patent. This does not mean that a patent on an invention qualifies under the definition of a CBM patent just because it could be used by various institutions that include a financial institution or are incidental to a financial activity.

However, Section 18(d) recites that the definition of a CBM patent does not include a "technical invention". The definition of a technical invention is one in which the claimed subject matter as a whole recites a technological feature that is novel and unobvious over the prior art and solves a technical problem using a technical solution. The mere recitation of known technologies, reciting the use of known prior art technology, and combining prior art structures to achieve the normal, expected, or predictable results of that combination will not allow an invention to fall with the definition of the technical invention exception to the definition of a CBM patent.

For practice tips, it is recommended that when the claims are drafted, language should be avoided claiming financial activity such as use of the words "bank", "commercial", "commerce", "commerce transaction", "merchant", and "customer". In the written description, it is recommended that the activity be described as directed to one or more various institutions and not directed to a financial institution. Further, the written description should describe a technological feature that solves a technical problem solved by a technical solution that includes the technological feature.

Using the practice tips on the above example, the written description should describe computer security by authenticating a web page by using an authentication key that is a technical feature and solves the technical problem of authenticating related to users of various institutions. The written description should also describe a user computer employing a modem to connect to the Internet and a host computer and a third party computer interconnected via a network. The claims should claim a method or system that claims authentication of a web page to enable authentication by an authenticity key to verify a source of formatted data.

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