Exploring the Legal Contours of Patent Subject Matter Eligibility

Impact of *Amdocs (Israel) Limited v. Openet Telecom, Inc. (Fed. Cir. 2016)* on Software Patent Eligibility

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INTELLECTUAL PROPERTY LAW

Amdocs (Israel) Limited v. Openet Telecom, Inc. (Fed. Cir. 2016)

- Amdocs (Patentee) alleged infringement of four patents (7,631,065; 7,412,510; 6,947,984; and 6,836,797)

- Openet (defendant) pleaded invalidity for all four patents under 35 U.S.C. § 101

- Patent Subject Matter: Accounting and billing system for network providers.

- Majority (Plager and Newman) upheld claims as eligible using parallels between the subject claims and the claims in *DDR Holding* and *BASCOM*.

7,631,065 Claim 1

- A computer program product embodied on a computer readable storage medium for processing network accounting information comprising:

    computer code for receiving from a first source a first network accounting record;

    computer code for correlating the first network accounting record with accounting information available from a second source; and

    computer code for using the accounting information with which the first network accounting record is correlated to <u>enhance the first network accounting record</u>.

- "enhance" construed as "to apply a number of field enhancements in a distributed fashion"

- Distributed processing (network usage records being processed close to their sources before being transmitted to a centralized manager) found to be a critical advancement over the prior art. → This considered an unconventional technological solution to a technological problem (massive record flows which previously required massive databases)

7,631,065 Claim 1

- Are solutions addressing processing of "massive" data in an alternative manner to be considered "technological solutions"?

- Claims directed to organizing information, processing data, and classifying information (all potentially *abstract* ideas) held to be patent eligible! (Compared to *Digitech*, *Content Extraction*, and *TLI*)

- Commonalities of claim terms with claims from *DDR Holdings* and *BASCOM* were emphasized in justifying the results.

- "When all limitations are considered individually and as ordered combination, they provide an inventive concept through use of distributed architecture." (*citing BASCOM*).

7,412,510 Claim 16

- A computer program product stored in a computer readable medium for reporting on a collection of network usage information from a plurality of network devices, comprising:

    computer code for collecting network communications usage information in real-time from a plurality of network devices at a plurality of layers;

    computer code for filtering and aggregating the network communications usage information;

    computer code for <u>completing a plurality of data records</u> from the filtered and aggregated network communications usage information, the plurality of data records corresponding to network usage by a plurality of users;

    computer code for storing the plurality of data records in a database;

    computer code for submitting queries to the database utilizing predetermined reports for retrieving information on the collection of the network usage information from the network devices; and

    computer code for outputting a report based on the queries;

    wherein resource consumption queries are submitted to the database utilizing the reports for retrieving information on resource consumption in a network; and

    wherein a resource consumption report is outputted based on the resource consumption queries.

7,412,510 Claim 1

- Claim construction: "Completing" → "enhance a record until all required fields have been populated"
- Review claim in light of specification:
  - (1) "The written description explains that the distributed architecture allows the system to efficiently and accurately collect network usage information in a manner designed for efficiency to minimize impact on network and system resources."
  - (2) as per claim specification, "this is an advantage over prior art systems"
  - (1) + (2) → Technical improvement and an inventive ordered combination of components → Patent Eligible.

Observations and Takeaways

- Majority used flexible approach emphasizing that emphasized that the concept of an "abstract idea" has no set meaning!

- No "single universal definition of 'abstract idea'" because "it is difficult to fashion a workable definition to be applied to as-yet-unknown inventions"

- Decision relied on claim term construction beyond plain language of the claims and on improvements over the prior art (as discussed in the specifications).

Observations and Takeaways

- Claim construction important for analysis of patent eligibility
- Practitioners may be well advised to emphasis improvements provided by the solution (include complete description of the technical problem and solution in the specification)
- Claim combination of structural elements that is beneficial over the prior solutions.
- <u>Dissent</u> (judge Reyna):
- Subject claims recite desired goal (combining data from two sources) absent structural or procedural means for achieving the goal → Abstract idea
- "The § 101 inquiry is not whether the specifications disclose a patent eligible system, but whether the claims are directed to a patent ineligible concept"