

# BUSINESS METHOD PATENTS: LET THE PTAB KILL THEM ALL? A CASE FOR NARROW READING OF CBM REVIEW ELIGIBILITY

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## I. INTRODUCTION

In September 13, 2017, a group of banks and Google Inc. petitioned to the United States Supreme Court led by a common goal—to make challenging

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business method patents easy again.<sup>1</sup> The issue of validity of business patents has been dividing legal scholars, judges, politicians, and other patent system stakeholders for years.<sup>2</sup> This is unsurprising given how much can be at stake. For example, at one point, a significant portion of the nearly 10 billion dollars capitalization of Priceline.com, an Internet company, was attributed to 20 business method patents that the company owned.<sup>3</sup> Due, in part, to these business method patents, the founder of Priceline.com, Jay Walker, claims himself to be one of the most-patented living inventors with around 700 patents issued in his name by 2015.<sup>4</sup>

Business method patents have long attracted the attention of patent system stakeholders,<sup>5</sup> creating a sharp controversy involving commentators, amicus briefs authors, and judges on both sides of the dispute.<sup>6</sup> According to a patent law practitioner, business method patents have a potential for fueling the economy through encouraging entrepreneurship while, at the same time, posing a threat to a wide range of businesses.<sup>7</sup>

In November, 2016, the United States Court of Appeals for the Federal Circuit (Federal Circuit) overturned a decision by the United States Patent and Trademark Office (USPTO) Patent Trial and Appeals Board (PTAB or Board) in favor of Google that invalidated certain claims of a patent owned by Unwired Planet, LLC.<sup>8</sup> Four months later, the Federal Circuit, relying on its decision in Google's case, reversed a similar PTAB decision in favor of PNC Bank and U.S. Bank.<sup>9</sup> Each losing party was denied rehearing *en banc*<sup>10</sup> and petitioned for review to the Supreme Court.<sup>11</sup> The significance of the Federal Circuit's decisions in these cases is in narrowing down the eligibility of business method patents for covered business method (CBM) review, which makes it harder to challenge certain business method patents before the Board.<sup>12</sup> Google and the

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1. Ryan Davis, *Justices Urged To Strike Fed. Circ. Limits On CBM Reviews*, LAW360 (Sept. 13, 2017, 5:51 PM), <https://www.law360.com/articles/963083/justices-urged-to-strike-fed-circ-limits-on-cbm-reviews>.

2. John F. Duffy, *Why Business Method Patents?*, 63 STAN. L. REV. 1247, 1248 (2011).

3. *Business Method Patents: What They Are—Why Clients and Service Providers Should Care*, 33 MD. B.J., 25, 26 (2000).

4. Brian Fung, *The Man Who Invented Priceline.com Wants to Shake Up America's Approach to Patents*, WASH. POST (Jan. 2, 2015), [https://www.washingtonpost.com/news/the-switch/wp/2015/01/02/the-man-who-invented-priceline-com-wants-to-shake-up-americas-patents/?utm\\_term=.8dafdd37df6c](https://www.washingtonpost.com/news/the-switch/wp/2015/01/02/the-man-who-invented-priceline-com-wants-to-shake-up-americas-patents/?utm_term=.8dafdd37df6c).

5. See Duffy, *supra* note 2, at 1248 (describing the increasing industry interest in resolving this issue); see generally Ricardo Bonilla, *A Patented Lie: Analyzing the Worthiness of Business Method Patents After Bilski v. Kappos*, 43 TEX. TECH L. REV. 1285 (2011) (discussing the significance of business method patent protection).

6. Duffy, *supra* note 2, at 1248.

7. Larry J. Guffey, *Business Method Patents: What They Are—Why Clients and Service Providers Should Care*, 33 MD. B.J., 25, 26 (2000).

8. *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376, 1382 (Fed. Cir. 2016).

9. *Secure Access, LLC v. PNC Bank Nat'l Ass'n*, 848 F.3d 1370, 1382 (Fed. Cir. 2017).

10. *Secure Access, LLC v. PNC Bank Nat'l Ass'n*, 859 F.3d 998, 998 (Fed. Cir. 2017); *Unwired Planet, LLC v. Google Inc.*, 682 F. App'x 928, 929 (Fed. Cir. 2017).

11. Petition for a Writ of Certiorari at 1, *Google Inc. v. Unwired Planet, LLC*, 2017 WL 4004795 (No. 17-357); Petition for a Writ of Certiorari at 1, *PNC Bank Nat'l Ass'n v. Secure Access, LLC*, 138 S. Ct. 1982 (No. 17-350) <http://www.scotusblog.com/wp-content/uploads/2018/05/17-350-petition.pdf>.

12. See Ryan Davis, *CBM Reviews May Fade Away as Fed. Circ. Limits Reach*, LAW360 (Mar. 10, 2017, 11:04 PM), <https://www.law360.com/articles/900685/cbm-reviews-may-fade-away-as-fed-circ-limits-reach> (suggesting that restricting when the program can be used may cause interest to dwindle); Ryan Davis, *Full Fed. Circ. Told 'Radical' Rulings Threaten CBM Program*, LAW360 (Mar. 23, 2017, 7:45 PM),

banks were not the only ones upset by these decisions.<sup>13</sup> Some commentators claimed that these decisions frustrated “congressional intent regarding business method patents.”<sup>14</sup> The debate about the legislative intent also engaged the Federal Circuit judges themselves, which prompted some of them to write separate concurring or dissenting opinions on the issue.<sup>15</sup>

However, discussion of the legislative intent does not present one with enough information to fully understand and analyze the issue of the scope of CBM-eligibility requirement. In order to address the issue comprehensively, one must not disregard public policy considerations that underlie both the legislative actions and the court’s interpretation of such actions.<sup>16</sup> With regard to business method patents, such considerations include balancing between the threat of impairing entrepreneurship by granting monopoly to the owners of widely-applied business methods and discouraging innovation by entirely eliminating business method patents as a protected category.<sup>17</sup> Desire to strike a careful balance between the two extremes likely was the reason why Congress and the Supreme Court refused to completely deny patent protection to the owners of business patents.<sup>18</sup> The same balance approach, likely, was behind the Federal Court’s decision to overturn the PTAB’s overbroad interpretation of CBM eligibility.<sup>19</sup>

This Note explores the current state of the debate over the validity of business method patents and, particularly, the role of CBM review in this debate in light of the decisions by the Federal Circuit in *Unwired Planet, LLC v. Google Inc.*<sup>20</sup> and *Secure Access, LLC v. PNC Bank Nat’l Ass’n*.<sup>21</sup> Part II presents an overview of the CBM review program, the practice of application of CBM review by the PTAB, and the Federal Circuit’s response to some of the PTAB’s practices. Part III provides a detailed analysis of the Federal Circuit decisions

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<https://www.law360.com/articles/905475/full-fed-circ-told-radical-rulings-threaten-cbm-program> (raising the possibility that limiting the scope of American Invents Act may conflict with congressional intent).

13. Robin McGrath, *How Fed. Circ. Missed the Intent Behind CBM: Part 1*, LAW360 (Aug. 14, 2017, 11:37 AM), <https://www.law360.com/articles/949027/how-fed-circ-missed-the-intent-behind-cbm-part-1>; Robin McGrath, *How Fed. Circ. Missed the Intent Behind CBM: Part 2*, LAW360 (Aug. 15, 2017, 12:19 PM), <https://www.law360.com/articles/949031/how-fed-circ-missed-the-intent-behind-cbm-part-2>.

14. Robin McGrath, *How Fed. Circ. Missed the Intent Behind CBM: Part 1*, LAW360 (Aug. 14, 2017, 11:37 AM), <https://www.law360.com/articles/949027/how-fed-circ-missed-the-intent-behind-cbm-part-1>; Robin McGrath, *How Fed. Circ. Missed the Intent Behind CBM: Part 2*, LAW360 (Aug. 15, 2017, 12:19 PM), <https://www.law360.com/articles/949031/how-fed-circ-missed-the-intent-behind-cbm-part-2>.

15. *Secure Access, LLC v. PNC Bank Nat’l Ass’n*, 848 F.3d 1370, 1382 (Fed. Cir. 2017) (Lourie, J., dissenting); *Unwired Planet, LLC v. Google Inc.*, 682 F. App’x 928, 929 (Fed. Cir. 2017) (Hughes, J., concurring); *Secure Access, LLC v. PNC Bank Nat’l Ass’n*, 859 F.3d 998, 1004 (Fed. Cir. 2017) (Lourie, J., dissenting).

16. See, e.g., *Secure Access*, 859 F.3d at 1002 (Taranto, J., concurring) (citing a policy consideration—lack of clarity of the proposed test—as one of the flaws of the dissenting opinion by Judge Lourie).

17. See U.S. CONST. art. I, § 8, cl. 8 (establishing the power of Congress “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”); see also Elizabeth Bestoso, *Financial Business Method Patents: The Trend Toward Invalidity Under Section 101*, 86 TEMP. L. REV. 369, 384–85 (2014) (discussing the policy concerns of financial business method patents).

18. See U.S. CONST. art. I, § 8, cl. 8 (protecting an inventor’s discoveries which may include business patents).

19. *Id.*

20. *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376, 1382 (Fed. Cir. 2016).

21. *Secure Access, LLC v. PNC Bank Nat’l Ass’n*, 848 F.3d 1370, 1382 (Fed. Cir. 2017).

in *Unwired Planet* and *Secure Access* and of their implications for the administration of CBM review and the validity of business method patents in general. Part IV argues that the Federal Circuit's narrow interpretation of CBM eligibility is correct because it is supported by both the statutory language and policy considerations. Part V concludes by suggesting that the Supreme Court should affirm the Federal Circuit's narrow approach if it is challenged again.

## II. BACKGROUND

The purpose of the patent system is promoting progress and innovation by providing incentives to inventors to invest in their work.<sup>22</sup> This goal must be carefully balanced against the cost of creating monopolies.<sup>23</sup> As illustrated by the example of Priceline.com above, business method patents can create enormous value for inventors.<sup>24</sup> However, such value comes with a cost because the exclusive right to use a certain method naturally means a limitation on the access of others to the method covered by a patent.<sup>25</sup>

Many acknowledge that at least some of the business method patents issued by the USPTO, especially in the 1990s, were issued wrongly, because the methods they claimed to protect had been well known before the respective applications were made.<sup>26</sup> An example of such a poor patent is a patent covering a method for avoiding hallways by way of placing staircases outside the buildings.<sup>27</sup> Another example is a patent protecting such simple operations as cataloging design ideas, presenting the design ideas to a client, and allowing the client to select a design idea.<sup>28</sup> Notwithstanding one's opinion on the validity of business method patents at large, one would have a hard time arguing that such obvious and widespread methods as putting staircases outside the buildings or presenting ideas to clients warrant patent protection.<sup>29</sup> The issuance of such poor patents, however, fueled the larger debate over the validity of business method patents as a class.<sup>30</sup>

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22. See U.S. CONST. art. I, § 8, cl. 8 (establishing the power of Congress to “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries”); see also Bestoso, *supra* note 17, at 385 (explaining the incentives that inventors gain from the patent system).

23. Bestoso, *supra* note 17, at 385.

24. *Business Method Patents: What They Are—Why Clients and Service Providers Should Care*, 33 MD. B.J. 25, 26 (2000).

25. See Nicholas A. Smith, *Business Method Patents and Their Limits: Justifications, History, and the Emergence of a Claim Construction Jurisprudence*, 9 MICH. TELECOMM. & TECH. L. REV. 171, 173 (2002) (“All patents, by virtue of their monopolistic nature, impose costs on the marketplace by preventing other market participants from using the protected invention for economic benefit.”).

26. Rochelle Cooper Dreyfuss, *Are Business Method Patents Bad for Business?*, 16 SANTA CLARA COMPUT. & HIGH TECH. L.J. 263, 268 (2000).

27. *Id.* (citing U.S. Patent No. 5,761,857).

28. John R. Thomas, *The Patenting of the Liberal Professions*, 40 B.C. L. REV. 1139, 1161–62 (1999) (citing U.S. Patent No. 5,668,736).

29. See Dreyfuss, *supra* note 26, at 268–69 (noting business method patents are still subject to other grounds of rejection which should invalidate the seemingly trivial patents that raise this concern).

30. Daniel F. Spulber, *Should Business Method Inventions be Patentable?*, 3 J. LEGAL ANALYSIS 265, 267 (2010).

In 1998, in its opinion in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, the Federal Circuit held that business methods were patent-eligible and were subject to the same patentability test as any other method patents.<sup>31</sup> The court's decision in *State Street* caused a spike in business method patent applications and infringement claims enforcing such patents.<sup>32</sup> However, in 2010, the Supreme Court in its decision in *Bilski v. Kappos*<sup>33</sup> effectively overruled *State Street*.<sup>34</sup> In *Bilski*, which involved a patent covering an "invention that explains how buyers and sellers of commodities in the energy market can protect, or hedge, against the risk of price changes," the Court held that the claims at issue were unpatentable processes because they attempted to patent abstract ideas.<sup>35</sup> In addition to denying patent protection to the business method at issue, *Bilski* significantly heightened the scrutiny of the patent eligibility of business methods.<sup>36</sup> However, the *Bilski* court did not categorically deny protection to all business method patents.<sup>37</sup> Rather it shifted the debate over business method patents "from the question whether any business methods are patentable to the question how broad the scope of patentable subject matter should be for business methods."<sup>38</sup> The establishment of the CBM review came as a congressional reaction to the Court's decision in *Bilski*.<sup>39</sup>

On September 16, 2011, Congress enacted the Leahy-Smith America Invents Act [hereinafter AIA].<sup>40</sup> Among other reforms, the AIA created a "transitional post-grant review proceeding for review of the validity of covered business method patents" known as CBM review.<sup>41</sup> After the Supreme Court's decision in *Bilski*, which overruled *State Street*, Congress predicted that many of the already-issued patents would not pass *Bilski* scrutiny.<sup>42</sup> Therefore, Congress responded by establishing the transitional program for CBM review to make it easier to challenge certain business method patents, the validity of which was put in question by *Bilski*.<sup>43</sup> The House Judiciary Committee report on the AIA stated that the CBM program was designed as a response to "poor business-method patents during the late 1990's through the early 2000's."<sup>44</sup> The program

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31. *State St. Bank & Tr. Co. v. Signature Fin. Grp., Inc.*, 149 F.3d 1368, 1375 (Fed. Cir. 1998).

32. Smith, *supra* note 25, at 193; Bestoso, *supra* note 17, at 369.

33. *Bilski v. Kappos*, 561 U.S. 593 (2010).

34. *State St.*, 149 F.3d at 1368 (overruled by the two concurring opinions signed by the majority of the Supreme Court justices in *Bilski v. Kappos*, 561 U.S. 593 (2010)).

35. *Bilski*, 561 U.S. at 599.

36. Jarrad Wood & Jonathan R. K. Stroud, *Three Hundred Nos: An Empirical Analysis of the First 300+ Denials of Institution for Inter Partes and Covered Business Method Patent Reviews Prior to In Re Cuozzo Speed Technologies, LLC*, 14 J. MARSHALL REV. INTEL. PROP. L. 112, 131 (2015).

37. See *Bilski*, 561 U.S. at 612 (stating, "[t]oday, the Court once again declines to impose limitations on the Patent Act that are inconsistent with the Act's text.>").

38. Duffy, *supra* note 2, at 1248.

39. Wood & Stroud, *supra* note 36, at 130.

40. Leahy-Smith America Invents Act (America Invents Act), Pub. L. 112-29, 125 Stat. 284 (2011).

41. *Id.* § 18; see 37 C.F.R. § 42.300 (stating that the program will be in force for 8 years, until September 15, 2020).

42. Wood & Stroud, *supra* note 36, at 130-31 (citing H.R. Rep. No. 112-98, at 54 (2011), *reprinted in* 2011 U.S.C.C.A.N. 67, 84).

43. *Id.* at 130.

44. Paul R. Gugliuzza, (*In*)*Valid Patents*, 92 NOTRE DAME L. REV. 271, 284 (2016) (citing H.R. Rep. No. 112-98, at 54 (2011), *reprinted in* 2011 U.S.C.C.A.N. 67, 84).

is scheduled to sunset in 2020, because “presumably, by September 16, 2020, anyone affected by these questionable patents will have had time to challenge them.”<sup>45</sup>

CBM review is one of the three new post-grant proceedings that allow patent validity challenges before the PTAB, the other two being *inter partes* review and post-grant review.<sup>46</sup> Post-grant review is only beginning its operation, because it only applies to the patents issued under the AIA’s new first-inventor-to-file regime.<sup>47</sup> The other two PTAB proceedings, however, quickly became popular ways to challenge the validity of patents.<sup>48</sup> Such popularity is partially due to the fact that the PTAB proceedings provide more effective means to invalidate patents than federal court litigation.<sup>49</sup> Among the advantages of these proceedings are “a one-year statutory timeline, lower costs, and more favorable standards for challengers, including a lower preponderance-of-evidence standard for demonstrating unpatentability, and the broadest reasonable claim construction standard that potentially encompasses a greater amount of invalidating prior art.”<sup>50</sup>

The AIA defines “covered business method patent” as “a 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, except that the term does not include patents for technological inventions.”<sup>51</sup> CBM review is governed by the rules of post-grant review, except as otherwise provided by the AIA.<sup>52</sup> CBM is also similar to *inter partes* review in many respects, but it has some important distinguishing provisions, the most prominent of which provides that, unlike in *inter partes* review, a petitioner may challenge the underlying CBM patent based on section 101 (non-patentable subject matter) and section 112 (specification) of the patent statute.<sup>53</sup> In order to institute a CBM proceeding, a petitioner must meet three main requirements: 1) the patent must qualify as a “covered business method,” 2) the invention must not be a “technological invention” exempt from CBM

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45. Rochelle Cooper Dreyfuss, *Giving the Federal Circuit A Run for Its Money: Challenging Patents in the PTAB*, 91 NOTRE DAME L. REV. 235, 248 (2015).

46. Ryan J. Gatzemeyer, *Are Patent Owners Given A Fair Fight? Investigating the Aia Trial Practices*, 30 BERKELEY TECH. L.J. 531, 531 (2015).

47. Saurabh Vishnubhakat, Arti K. Rai & Jay P. Kesan, *Strategic Decision Making in Dual PTAB and District Court Proceedings*, 31 BERKELEY TECH. L.J. 45, 58 (2016).

48. Gatzemeyer, *supra* note 46, at 531.

49. *Id.* at 531–32.

50. *Id.*

51. Leahy-Smith America Invents Act (America Invents Act), Pub. L. No. 112–29, § 18, 125 Stat. 284 (2011); 37 C.F.R. § 42.300.

52. *Id.*

53. See Manny Schecter et al., *The Effects of Alice on Covered Business Method (CBM) Reviews*, 14 NW. J. TECH. & INTELL. PROP. 381, 387 (2017) (“Section 101 challenges are now the most popular CBM ground for challenge with a total of 276 challenges.”); see generally Saurabh Vishnubhakat, *The Youngest Patent Validity Proceeding: Evaluating Post-Grant Review*, 24 TEX. INTELL. PROP. L.J. 333, 348 (2016) (explaining the process between validity challenges); Eric C. Cohen, *A Primer on Inter Partes Review, Covered Business Method Review, and Post-Grant Review Before the Patent Trial and Appeal Board*, 24 FED. CIR. B.J. 1, 22 (2014) (noting the differences between post-grant review and the transitional proceeding for covered business method patents).

review, and 3) the petitioner must show that it is more likely than not that at least one challenged claim of the patent is unpatentable.<sup>54</sup>

From the moment when the CBM review took effect on September 16, 2012, until July 31, 2017, there were 524 CBM petitions filed.<sup>55</sup> The petitions accounted for about 7% of the total amount of post-grant petitions brought before the PTAB.<sup>56</sup> Commentators often describe CBM review as advantageous to petitioners.<sup>57</sup> Empirical studies suggest that the institution rate among the CBM petitions was very high in the early days of the PTAB.<sup>58</sup> The trend of high success among the CBM petitioners had been persisting at least until the Federal Circuit decisions in *Unwired Planet* and *Secure Access*.<sup>59</sup> For example, a 2016 study found that the PTAB CBM institution rate for section 101 challenges was 83.6%.<sup>60</sup> In the instituted proceedings, 96% of the patents were ultimately found unpatentable.<sup>61</sup> Another empirical study suggests that prior to 2015, the PTAB had primarily denied CBM petitions on the merits of alleged unpatentability and, “rarely denied due to issues of standing, such as the ‘financial product’ and ‘technical innovation’ test.”<sup>62</sup>

In October of 2013, to take advantage of the tool provided by Congress, Google filed to the PTAB a petition for CBM review of a patent relating to “using location-based services over mobile wireless networks” that belonged to Unwired Planet, LLC.<sup>63</sup> The Board instituted a CBM review and eventually invalidated the claims at issue.<sup>64</sup> Unwired Planet appealed and the Federal Circuit reversed on the basis that the PTAB relied on an incorrect definition of CBM patent in evaluating Unwired Planet’s patent.<sup>65</sup> The court held that a patent that covers activities merely “incidental to” or “complementary to” a financial activity may not be reviewed as a CBM patent.<sup>66</sup>

Likewise, PNC Bank and U.S. Bank filed their petition for CBM review of a patent covering systems and methods for authenticating a web page owned by

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54. P. Andrew Riley et al., *The Surprising Breadth of Post-Grant Review for Covered-Business-Method Patents: A New Way to Challenge Patent Claims*, 15 COLUM. SCI. & TECH. L. REV. 235, 275 (2014).

55. United States Patent and Trademark Office, Patent Trial and Appeal Board, *Trial Statistics IPR, PGR, CBM*, USPTO.GOV (July 2017), [https://www.uspto.gov/sites/default/files/documents/trial\\_statistics\\_july2017.pdf](https://www.uspto.gov/sites/default/files/documents/trial_statistics_july2017.pdf).

56. *Id.*

57. Dmitry Karshedt, *Acceptance Instead of Denial: Pro-Applicant Positions at the PTO*, 23 B.U. J. SCI. & TECH. L. 319, 342 (2017); P. Andrew Riley et al., *supra* note 54, at 235.

58. See Schechter et al., *supra* note 53, at 385 (finding that 96.1% of CBM final written decisions invalidate at least one challenged claim); Vishnubhakat, Rai & Kesan, *supra* note 47, at 80 (noting the high CBM institution rates on different grounds of patentability); see also Gugliuzza, *supra* note 44, at 133 (finding that petitioners for CBM review “have had substantive success instituting § 101 challenges.”).

59. Michael A. Carrier & Brenna Sooy, *Five Solutions to the REMS Patent Problem*, 97 B.U. L. REV. 1661, 1691 (2017).

60. Robert R. Sachs, *Two Years After Alice: A Survey Of The Impact Of A “Minor Case” (Part I)*, BILSKIBLOG (June 16, 2016), <http://www.bilskiblog.com/blog/2016/06/two-years-after-alice-a-survey-of-the-impact-of-a-minor-case.html>.

61. *Id.*

62. Wood & Stroud, *supra* note 36, at 140.

63. Google Inc., v. Unwired Planet, LLC, No. CBM2014-00006, at \*2 (P.T.A.B. Apr. 6, 2015).

64. *Id.*

65. Unwired Planet, LLC v. Google Inc., 841 F.3d 1376, 1377 (Fed. Cir. 2016).

66. *Id.* at 1380, 1382.

*Secure Access*.<sup>67</sup> As in the Google's case, the Board instituted a CBM review and invalidated the claims at issue.<sup>68</sup> Yet again, on appeal, the Federal Circuit sided with the appellant and reversed the PTAB's decision.<sup>69</sup> The *Secure Access* court held that a covered business method patent must contain at least one claim to the effect that the method or apparatus is actually "used in the practice . . . of a financial product or service."<sup>70</sup> Both Google and the banks filed their petitions for certiorari, seeking to overturn the Federal Circuit's narrow reading of CBM review eligibility.<sup>71</sup> The Supreme Court eventually vacated *Secure Access* as moot,<sup>72</sup> and denied certiorari in *Unwired Planet*.<sup>73</sup>

### III. ANALYSIS

#### A. Federal Circuit's Approach

##### 1. Initial Generosity of CBM Review

As explained above, empirical studies show that the institution and invalidation rates among the CBM petitions were very high before the Federal Circuit decisions in *Unwired Planet* and *Secure Access*.<sup>74</sup> The high institution and invalidation rate of CBM proceedings, at least partially, should be attributed to the PTAB's broad interpretation of the term "financial product or service," as used by the AIA.<sup>75</sup> The PTAB's broad reading of CBM eligibility was expressed in the Board's first CBM decision, *SAP America, Inc.*,<sup>76</sup> where the Board held that it would allow CBM review of not only patents "claiming activities that are financial in nature," but also those "incidental to a financial activity, or complementary to a financial activity."<sup>77</sup> In that proceeding *SAP America* argued that because the claims of *Versata's* patent "were directed to determining prices and the management of pricing data, they were directed to a financial product or service."<sup>78</sup> The PTAB, relying on the legislative history and

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67. *Secure Access, LLC v. PNC Bank Nat'l Ass'n*, 848 F.3d 1370, 1373 (Fed. Cir. 2017).

68. *Id.*

69. *Id.* at 1382.

70. *Id.* at 1378–79.

71. *Google Inc. v. Unwired Planet, LLC*, No. 17-357, 2017 WL 4004795 (U.S. Sept. 1, 2017); *PNC Bank Nat'l Ass'n v. Secure Access, LLC*, 86 U.S.L.W. 3570 (U.S. May 14, 2018), *vacating as moot* 848 F.3d 1370 (Fed. Cir. 2017).

72. *PNC Bank Nat. Ass'n v. Secure Access, LLC*, 138 S. Ct. 1982 (2018).

73. *Google LLC, v. Unwired Planet, LCC*, 138 S. Ct. 1693, *petition for cert. denied*, 86 U.S.L.W. 3555 (U.S., Apr. 30, 2018) (No. 17-357).

74. See Schechter et al., *supra* note 53, at 385 (finding that 96.1% of CBM final written decisions invalidate at least one challenged claim); see also Vishnubhakat et al., *supra* note 47, at 80 (noting the high CBM institution rates on different grounds of patentability); see also Gugliuzza, *supra* note 44, at 133 (finding that petitioners for CBM review "have had substantive success instituting § 101 challenges.>").

75. *Id.* at 135.

76. *SAP America, Inc. v. Versata Dev. Grp.*, No. CMB2012-00001, at \*1 (P.T.A.B. June 11, 2013).

77. Jonathan Tamimi, *Breaking Bad Patents: The Formula for Quick, Inexpensive Resolution of Patent Validity*, 29 BERKELEY TECH. L.J. 587, 623 (2014) (citing *SAP Am., Inc. v. Versata Dev. Grp., Inc.*, CBM2012-00001, Paper No. 36 at \*21–22 (P.T.A.B. Jan. 9, 2013)).

78. Jason E. Stach & Andrew G. Strickland, *Exploring The Expanding Scope Of Covered Business Method Reviews*, FINNEGAN (Jan. 2014), <https://www.finnegan.com/en/insights/exploring-the-expanding-scope-of-covered-business-method-reviews.html>.

USPTO's notice of proposed rule-making, sided with *SAP America*.<sup>79</sup> According to the Board, "'financial product or service' should be interpreted to broadly include 'activities that are financial in nature, incidental to a financial activity, or complementary to a financial activity.'" <sup>80</sup> The PTAB explained that "the term 'financial' is an adjective that simply means relating to money matters, and the patent need not be related to the financial services industry."<sup>81</sup> Therefore, *Versata's* patent was found to be CBM-eligible.<sup>82</sup>

*CRS Advanced Technologies, Inc. v. Frontline Technologies, Inc.*<sup>83</sup> expanded the scope of the definition of CBM patent even farther.<sup>84</sup> There, the Board held that because some of Frontline's patent claims were "broad enough to encompass retail banks," the patent as a whole was at least "incidental or complementary to a financial activity."<sup>85</sup> According to the decision, "the challenged claims directed to a 'plurality of different organizations' were broad enough to encompass the retail banks specified in other claims and disclosed in the patent specification."<sup>86</sup>

The PTAB's subsequent practice of broad interpretation of CBM eligibility is well illustrated by *Apple Inc. v. SightSound Techs., LLC*.<sup>87</sup> There, the Board held that the patent claim covering electronic sale of digital audio directed to "transferring money electronically via a telecommunication line to the first party . . . from the second party" was directed to a financial activity, and, therefore, eligible for CBM review.<sup>88</sup> In *SightSound Techs.*, the PTAB rejected the patent owner's argument that "only patents with a 'clear nexus to the financial business' are eligible for a covered business method review."<sup>89</sup> The Board also held that "a patent need not be used by a financial services company or involve a traditional financial services business to qualify as a covered business method patent."<sup>90</sup>

The Board's approach to the interpretation of the term "financial product or service" as used by the AIA is well summarized as follows.

First, under *SAP America*, a patent is directed to a financial product or service when it relates to activities that are financial in nature, incidental to a financial activity, or complementary to a financial activity. When a patent's claims relate to money matters, the patent relates to a financial product or service even though some might argue that the claims are not related to the financial services industry.

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79. 107 U.S.P.Q.2d 1097 (June 11, 2013).

80. Stach & Strickland, *supra* note 78.

81. *Id.*

82. *Id.*

83. *CRS Advanced Techs, Inc. v. Frontline Techs, Inc.*, No. CBM2012-00005, Paper No. 17, 2012 WL 8978250 (P.T.A.B. Jan. 23, 2013).

84. Stach & Strickland, *supra* note 78.

85. *Id.*; see *CRS Advanced Techs, Inc.*, 2012 WL 8978250 ("Thus, even the claims that do not verbatim invoke banking services are broad enough to encompass them, by the patent's admission.").

86. Stach & Strickland, *supra* note 78.

87. *Apple Inc. Petitioner*, CBM2013-00019, 2013 WL 8538867 (P.T.A.B. Oct. 8, 2013).

88. *Id.* at \*6.

89. *Id.* at \*6-7.

90. *Id.* at \*7; see Tamimi, *supra* note 77, at 625 (summarizing the types of patents eligible for CBM review).

Second, under a broad reading of *CRS Advanced Technologies*, a patent is directed to a financial product or service when its claims can be performed by a financial institution and the patent elsewhere refers to a financial institution.<sup>91</sup>

Such a broad approach to the CBM eligibility, certainly, was favorable to petitioners like *Google* and *PNC Bank*.<sup>92</sup> Moreover, it was thought to be unreviewable by the courts due to the AIA's Section 324(e) judicial review bar.<sup>93</sup>

### B. Federal Circuit Establishing Jurisdiction over CBM-Eligibility

*SAP America, Inc. v. Versata Development Group, Inc.* was the first CBM review proceeding to invalidate a patent under section 101 (non-patentable subject matter).<sup>94</sup> The final decision in this proceeding was appealed to the Federal Circuit.<sup>95</sup> The appellate court held that the AIA's section 324(e) judicial review bar did not apply to the issue of whether a patent qualified as a covered business method, and, therefore, PTAB's decisions on CBM-eligibility were appealable.<sup>96</sup> Although in *Versata Development Group, Inc. v. SAP America, Inc.* the court affirmed the outcome of the CBM review, it did review the PTAB's decision *de novo*.<sup>97</sup> Judge Hughes, concurring with the majority on the issue of patent's validity, dissented on the issue of court's appellate jurisdiction opining that "the majority impermissibly expands this court's jurisdiction . . . to second-guess the Board's initial determination that the patent at issue is a 'covered business method patent.'" <sup>98</sup> The Supreme Court denied certiorari.<sup>99</sup> Thus, *Versata* established the jurisdictional basis for the future Federal Circuit's reversal of the PTAB's broad interpretation of CBM eligibility.<sup>100</sup>

91. Stach & Strickland, *supra* note 78, at 21.

92. Patrick H.J. Hughes, *Google Asks Supreme Court to Define "Covered Business Method" Patent*, 24 WESTLAW J. INTELL. PROP. 2 (2017).

93. See *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1319 (Fed. Cir. 2015) ("The Government contends . . . we may not review—indeed, we have no "jurisdiction" to decide—whether the '350 patent is a CBM patent since that was initially decided by the PTAB at the institution stage.").

94. Kirby B. Drake, *Covered Business Method Review—A Tale of Two Decisions*, 26 NO. 3 INTELL. PROP. & TECH. L.J. 3, 5 (Mar. 2014).

95. *Versata Dev. Grp.*, 793 F.3d at 1314–23.

96. *Versata Dev. Grp.*, 793 F.3d at 1314–23; Rachel C. Hughey & Joseph W. Dubis, *Navigating Post-Grant Proceedings: What Two Years of Federal Circuit Decisions and the Supreme Court's Cuozzo Decision Tell Us About Post-Grant Proceedings Before the PTAB*, FED. LAW., January/February 2017, at 70, 73 (citing *Blue Calypso LLC v. Groupon Inc.*, 815 F.3d 1331, 1338 (Fed. Cir. 2016)); *Sightsound Techs. LLC v. Apple Inc.*, 809 F.3d 1307, 1314 (Fed. Cir. 2015); *Versata Dev. Grp. Inc.*, 793 F.3d at 1314–23; see Renoj Zachariah, *Fighting the Troll Toll: The Case for Judicial Review of the U.S.P.T.O. Director's Denial of a Petition to Institute an Inter Partes Review*, 38 CARDOZO L. REV. 2273, 2293 (2017) ("The court reasoned that although the plain language bar on judicial review in § 324(e) did apply to interlocutory decisions, such as the denial of an institution, it did not apply after the PTAB's final decision on the merits.").

97. *Versata Dev. Grp. Inc.*, 793 F.3d at 1323; see also Dreyfuss, *supra* note 45, at 275 (discussing the *de novo* review of the PTAB decision).

98. *Versata Dev. Grp.*, 793 F.3d at 1337 (Hughes, J., concurring in part and dissenting in part).

99. *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 136 S. Ct. 2510 (2016).

100. *Id.*; *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376, 1380, 1382 (Fed. Cir. 2016).

C. *Unwired Planet, LLC v. Google Inc.*

In *Unwired Planet, LLC v. Google Inc.*,<sup>101</sup> Federal Circuit held that a patent that covers activities merely “incidental to” or “complementary to” a financial activity is not eligible for CBM review.<sup>102</sup> The patent at issue in the case covered a method for “using location-based services over mobile wireless networks.”<sup>103</sup> Admittedly, the method did not cover any activity financial in nature.<sup>104</sup> Nevertheless, the PTAB held that the subject matter recited in the patent was “incidental or complementary to the financial activity of service or product sale.”<sup>105</sup> The *Unwired Planet* court, however disagreed with the PTAB.<sup>106</sup> The opinion was the first Federal Circuit decision to pronounce that the PTAB took an impermissibly broad approach to CBM-eligibility.<sup>107</sup> The Federal Circuit in an opinion by Judge Jimmie V. Reyna explained that the AIA definition does not include the words “incidental” or “complementary” the PTAB used.<sup>108</sup> Thus, the *Unwired Planet* decision “rolled back” the Board’s expansive interpretation of CBM-eligibility by “excluding patents that were merely incidental to or complementary to financial products or services.”<sup>109</sup> Rehearing *en banc* was denied with only Judge Hughes writing a separate concurring opinion in which he reiterated his belief that *Versata* was wrongly decided and was implicitly overruled by the Supreme Court decision in *Cuozzo Speed Techs., LLC v. Lee*.<sup>110</sup> A petition for certiorari was filed by Google.<sup>111</sup> After several attempts by petitioners to keep the case alive, the certiorari was denied by the Court.<sup>112</sup>

D. *Secure Access, LLC v. PNC Bank National Association*

Further, in *Secure Access, LLC v. PNC Bank National Association*,<sup>113</sup> the Federal Circuit held that a covered business method patent must contain at least one claim to the effect that the method or apparatus is actually “used in the practice . . . of a financial product or service.”<sup>114</sup> The case closely followed the *Unwired Planet* decision and further clarified that the PTAB should look at the

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101. *Unwired Planet*, 841 F.3d at 1380–82.

102. *Id.*

103. *Google Inc. v. Unwired Planet, LLC*, No. CBM2014-00006, 2015 WL 1570274, at \*2 (P.T.A.B. Apr. 6, 2015).

104. *See id.* at \*7 (discussing the method of accessing location information).

105. *Unwired Planet*, 841 F.3d at 1378 (citing *Google Inc. v. Unwired Planet, LLC*, No. CBM2014-00006, 2014 WL 1396978, at \*7 (P.T.A.B. Apr. 8, 2014)).

106. *Id.* at 1379.

107. Michael O’Neill, *Covered Business Method Gamesmanship After Secure Access v. PNC Bank*, 24 WESTLAW J. INTELL. PROP. 2 at 1 (2017) (“In *Unwired Planet* the Federal Circuit decided that the Patent Trial and Appeal Board had adopted an impermissibly broad definition of patents eligible for CBM review.”).

108. Hughes, *supra* note 92, at 2.

109. O’Neill, *supra* note 107, at 1.

110. *Unwired Planet, LLC v. Google Inc.*, 682 F. App’x 928, 929 (Fed. Cir. 2017) (Hughes, J., concurring).

111. *Unwired Planet*, 841 F.3d at 1376, *petition for cert. filed*, 2017 WL 4004795 (U.S. Sept. 1, 2017) (No. 17-357).

112. *Unwired Planet*, 841 F.3d at 1376, *cert. denied*, 86 U.S.L.W. 3555 (U.S. Apr. 30, 2018) (No. 17-357).

113. *Secure Access LLC v. PNC Bank Nat’l Ass’n*, 848 F.3d 1370, 1379 (Fed. Cir. 2017).

114. *Id.* at 1378–79 (citing 42 U.S.C. § 301 (2018)).

language of the patent claims as the main source of determination of CBM-eligibility.<sup>115</sup> The patent at issue in *Secure Access* included claims that were framed broadly enough to encompass financial activities, but were not explicitly limited to such activities.<sup>116</sup> Instead, the claims related generally to data authentication by insertion of an authenticity key into formatted data.<sup>117</sup> Thus, the claims were written to cover the process of data authentication in the context of financial as well as nonfinancial activity.<sup>118</sup> The court, based on the articulated standard, reviewed the language of the claims at issue in the light of the written description, and found that no claim qualified the patent at issue as a “patent that claims . . . a method or corresponding apparatus . . . used in the practice [etc.] of a financial product or service.”<sup>119</sup> Like in *Unwired Planet*, rehearing *en banc* was denied.<sup>120</sup> This time, however, four judges filed a dissenting opinion suggesting that the panel decision in *Secure Access* was “contrary to the statutory language, congressional intent, and [Federal Circuit’s] case law.”<sup>121</sup> A petition for certiorari was filed by the banks.<sup>122</sup> The Supreme Court granted the petition for certiorari, but vacated the case as moot due to the fact that the claims at issue had been invalidated in a prior IPR proceeding that had been affirmed by the Federal Circuit and the time for petitioning the Supreme Court had passed.<sup>123</sup> Therefore, the Court did not specifically approve or disapprove Federal Circuit’s reasoning in *Unwired Planet* and *Secure Access*.<sup>124</sup>

The analysis of the reasoning of *Unwired Planet* and *Secure Access* indicates that the Federal Circuit disapproved the PTAB’s interpretation of the CBM eligibility and took a restrictive view on CBM review eligibility.<sup>125</sup>

### E. *Opposition to the Federal Circuit’s Approach*

#### 1. *Congress’s Intent Argument*

The main substantive argument used by the PTAB as well as the supporters of the broad interpretation of CBM patents is legislative intent.<sup>126</sup> According to

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115. See O’Neill, *supra* note 107, at 1 (“The *Secure Access* opinion built on the holding in *Unwired Planet*, emphasizing that it is the patent’s claims that determine whether it is or is not CBM-eligible.”).

116. *Secure Access*, 848 F.3d at 1381–82.

117. *Id.*

118. *Id.*

119. *Id.* (citing *Unwired Planet*, 841 F.3d at 1382).

120. *Secure Access, LLC v. PNC Bank Nat’l Ass’n*, 859 F.3d 998 (Fed. Cir. 2017).

121. *Id.* at 1004 (Lourie, J., dissenting).

122. *PNC Bank N.A. v. Secure Access, LLC*, 86 U.S.L.W. 3570 (U.S. May 14, 2018), *vacating as moot* 848 F.3d 1370 (Fed. Cir. 2017).

123. *Id.*

124. *Id.*

125. See *Secure Access*, 848 F.3d at 1380–81 (explaining that the statutory definition of a CBM patent requires that the patent have a claim that contains a financial activity element); *Unwired Planet*, 841 F.3d at 1382 (holding that the PTAB’s reliance on whether the patent claims activities incidental to or complementary to a financial activity as the legal standard to determine whether a CBM patent was not in accordance with the law).

126. See *Google Inc. v. Unwired Planet, LLC*, No. CBM2014-00006, 2014 WL 1396978, at \*14–16 (P.T.A.B. Apr. 8, 2014) (discussing the legislative history).

PTAB the legislative history of the AIA supports defining CBM patent broadly to encompass patents “incidental to a financial activity or complementary to a financial activity.”<sup>127</sup> Likewise, some commentators supported this interpretation of legislative intent.<sup>128</sup> Some went as far as to suggest that “Congress intended the scope of CBM to cover most computer-implemented patents useful to businesses . . . .”<sup>129</sup> They argue that this broad reading is “supported by the language of the statute, the PTO regulations, and the legislative history.”<sup>130</sup>

## 2. *Alleged Ambiguity and Odd Results*

In addition to the legislative intent argument, the holding in both cases has been criticized for ambiguity and possibility of creating odd results<sup>131</sup> Particularly, the *Secure Access* decision is criticized for being potentially too rigid in its focus on the language of the patent claims.<sup>132</sup> The potential for odd results of the Federal Circuit’s approach is illustrated by the following example from an article written by a practitioner that discusses *Secure Access*:

Consider a scenario similar to that in *Secure Access*: a patent describes multiple embodiments—some involving financial activity and some not—and ends with a broad independent claim that covers both financial and nonfinancial activity. A dependent claim is also included, specifically directed to financial activity. A petition for CBM review is filed, and the patentee promptly files a statutory disclaimer disclaiming the dependent claim, leaving only the broad independent claim. It argues that because of the disclaimer, the patent is not eligible for CBM review.<sup>133</sup>

This pattern was used by the patent owner in *Ford Motor Co. v. Versata Development Group Inc.*, where *Versata* was able to escape the institution of the CBM review by disclaiming the dependent claims that contained the language that was directly related to financial activity, thereby saving the other broader claims of the patent from the scrutiny of CBM review.<sup>134</sup>

On the other hand, the Federal Circuit’s interpretation can be subject to criticism for its ambiguity. For example, even after *Unwired Planet*, some authors expressed uncertainty about the application of the narrow CBM eligibility definition to certain patents that are not traditionally considered business method patents.<sup>135</sup>

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127. *Id.*

128. *See, e.g.,* Bestoso, *supra* note 22, at 394 (noting “the legislature sent an even stronger message with the Program, which expressly and unequivocally targets financial business method patents.”).

129. Riley et al., *supra* note 54, at 279.

130. *Id.*

131. O’Neill, *supra* note 107, at 1–2.

132. *Id.*

133. *Id.*

134. *Ford Motor Co. v. Versata Dev. Grp. Inc.*, No. CBM 2016-100, 2017 WL 1087387, at \*5 (P.T.A.B. Mar. 20, 2017).

135. Carrier & Sooy, *supra* note 59, at 1691 (noting “while the Federal Circuit has recently construed the scope of CBM review narrowly, it has also made clear that the statute covers products outside the financial industry, which makes it a potential option for challenging REMS patents.”).

## F. Arguments Opposing the Federal Circuit's Approach Are Flawed

### 1. The PTAB's Position is Contrary to the USPTO's Regulations

Although the decisions in *Unwired Planet* and *Secure Access* have overruled the PTAB's practice, it is worth noting why the PTAB's initial practice of broadening CBM eligibility was flawed in the first place. Besides the fact that the Board's interpretation of which patents were subject to CBM review was broader than expected by some commentators,<sup>136</sup> the interpretation was contrary to the agency's own exercise of regulatory authority.<sup>137</sup>

It is clear that USPTO itself, under the AIA, was entrusted with the task of issuance of "regulations establishing and implementing" of the CBM review program.<sup>138</sup> The Federal Circuit explicitly recognized that USPTO had significant leeway in defining the CBM-eligibility.<sup>139</sup> However, USPTO chose not to modify the AIA's definition of CBM patents and "adopted the statutory definition of CBM patents by regulation without alteration."<sup>140</sup> The PTAB, therefore, in its practice did not rely on the statutory definition of CBM patents, but rather claimed to have relied on USPTO's notice of proposed rule-making.<sup>141</sup> However, as the court noted in *Unwired Planet* "[g]eneral policy statements . . . are not legally binding and, without adopting a policy as a rule through rulemaking, an agency cannot apply or rely upon a general statement of policy as law."<sup>142</sup> Therefore, the PTAB had no justification for adopting a non-statutory definition of CBM review after the agency failed to broaden the statutory definition in its regulations despite having authority to do so.

### 2. Legislative Intent

The Board has used "the legislative history and what it viewed as the intent behind CBM Review" to justify its broad interpretation of CBM patents.<sup>143</sup> The parties who sought to challenge *Unwired Planet* and *Secure Access* to revive the PTAB's old broad interpretation, were using similar arguments.<sup>144</sup> For example, Google claimed that since the enactment of the AIA "accused infringers have been able to 'ask a body of specialist administrative judges . . . to undertake a streamlined review of the validity of the patent.'"<sup>145</sup> According to Google, if the

136. Stach & Strickland, *supra* note 78, at 23.

137. See *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376, 1380 (Fed. Cir. 2016) (noting that USPTO did not adopt the language on which PTAB relied through ruling making procedures).

138. Leahy-Smith America Invents Act (America Invents Act), Pub. L. No. 112-29, sec. 18(a)(1), 125 Stat. 284, 329 (2011).

139. *Unwired Planet*, 841 F.3d at 1380; *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1325 (Fed. Cir. 2015).

140. *Unwired Planet*, 841 F.3d at 1379 (citing Transitional Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention, 77 Fed. Reg. 48,734 (Aug. 14, 2012)).

141. Stach & Strickland, *supra* note 78, at 21.

142. *Unwired Planet*, 841 F.3d at 1381.

143. Stach & Strickland, *supra* note 78, at 21.

144. Hughes, *supra* note 92.

145. *Id.*

Federal Circuit’s opinion is left undisturbed, accused infringers will become mired in such threshold disputes that Congress wanted eliminated.<sup>146</sup>

However, as the court in *Unwired Planet* rightly noted, the contentions about the legislative intent are flawed.<sup>147</sup> First, it is important to emphasize that in *Bilski* the Court declined to hold that all business method patents were invalid.<sup>148</sup> The Court rejected the argument that no business method patent should be patent-eligible “simply because business method patents were rarely issued until modern times.”<sup>149</sup> Similarly, when Congress addressed the issue, it did not explicitly invalidate the business method patents.<sup>150</sup> Rather, Congress decided to create a temporary transitional program for CBM review.<sup>151</sup> Moreover, in its definition of CBM patent Congress failed to cover all business method patents.<sup>152</sup> The legislative intent, as evidenced by the statute itself, was to make it easier to challenge the validity of a certain narrow group of business method patents—those related to financial product or service.<sup>153</sup>

There is no evidence that by adopting the transitional CBM review program, Congress intended to overrule *Bilski*, which declined to hold all business review patents invalid.<sup>154</sup> To the contrary, because the AIA did not amend the patent-eligibility requirements for business method patents, which would have been the most logical way of invalidating all business method patents if that would have been what Congress intended, the adoption of the CBM review seems to support the case-by-case approach that the Supreme Court took in *Bilski*.<sup>155</sup> Thus, CBM review was only designed to provide an opportunity for petitioners to challenge a certain type of method patents that related to financial activity, and not invalidate an unreasonably broad class of method patents.<sup>156</sup>

The pre-*Unwired Planet* practice of the PTAB, however, illustrated the opposite. Contrary to both the Supreme Court’s holding in *Bilski* and the statutory language of the AIA, the initial PTAB reading of CBM-eligibility was

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146. *Id.*

147. *Unwired Planet*, 841 F.3d at 1380.

148. *Bilski v. Kappos*, 561 U.S. 593, 608 (2010).

149. *Id.*

150. Gugliuzza, *supra* note 44, at 284. *But see* Bestoso, *supra* note 17, at 394 (arguing that by enacting the AIA “the legislature has sent a clear signal that, like the courts, it is interested in limiting—if not completely eliminating—financial business method patents.”).

151. Gugliuzza, *supra* note 44, at 284 (citing H.R. Rep. No. 112-98, at 54 (2011), *reprinted in* 2011 U.S.C.C.A.N. 67, 84).

152. Leahy-Smith America Invents Act (America Invents Act), Pub. L. No. 112-29, 125 Stat. 284 (2011).

153. *Id.* See Gugliuzza, *supra* note 44, at 284 (citing H.R. REP. NO. 112-98, at 54 (2011), *reprinted in* 2011 U.S.C.C.A.N. 67, 84) (discussing the abundance of “poor business method patents” giving rise to “patent ‘troll’ lawsuits”).

154. See Wood, *supra* note 36, at 131 (stating that when establishing the CBM review program, Congress was responding to the *Bilski* decision by making sure that CBM review would help the financial and banking industry to challenge the patents that did not adhere to the new *Bilski* standard of patentability).

155. See H.R. REP. NO. 112-98, at 54 (2011), *reprinted in* 2011 U.S.C.C.A.N. 67, 84 (suggesting that a transitional program for review of the validity of any business method patent would be the most adequate way to address the issue of poor business-method patents).

156. *Id.* (stating “[t]he Act responds to the problem by creating a transitional program [one] year after enactment of the bill to implement a provisional post-grant proceeding for review of the validity of any business method patent.”).

overly broad as evidenced by extremely high institution/invalidation rates.<sup>157</sup> One could argue that broadening the definition of the CBM eligibility is not the same as invalidating all business method patents. However, first, such broad reading would still be unauthorized by Congress and the Supreme Court.<sup>158</sup> Second, taking into account the extremely high CBM review invalidation rates, the PTAB's practice could be said to have the effect of invalidating all business method patents that appeared before the PTAB.<sup>159</sup> As a commentator puts it, "while the legislature did not explicitly exclude financial business methods from patentability, the post-grant review program it introduced may just have that practical effect: as the PTO invalidates one financial business method patent after another, it will be less inclined to grant new applications, and financial firms may be deterred from filing new applications altogether."<sup>160</sup> Noting this unauthorized practice by the PTAB, some commentators called the CBM review institution/invalidation rates "alarming."<sup>161</sup> Legal practitioners also advised that "the Board is taking a broader interpretation of which patents can be subject to CBM Review than some expected."<sup>162</sup>

Another piece of evidence showing that the PTAB's initial interpretation of CBM-eligibility was overly broad and contrary to the Congress's intent to limit the number of business method patents, is the classification of patents that the Board accepted as CBM-eligible. For example, according to an empirical study "56.8% of the patents for which CBM proceedings were instituted were in original class 705," which "is the home for U.S. business method patents."<sup>163</sup> It is true that the legislative history of the AIA indicates that some CBM patents were expected to come from outside the class 705.<sup>164</sup> However, the real numbers were quite striking, which prompted the authors of the study to conclude that "the PTAB may be 'over-inclusive' in admitting patents."<sup>165</sup>

The court in *Unwired Planet* noted that "[a]s part of this statement on general policy about how it will act 'in administering the program,' the PTO response quotes a single floor comment during the Senate debate over the AIA as an example of the legislative history."<sup>166</sup> As explained above, such quoting does not warrant concluding that Congress overruled the Supreme Court's decision in *Bilski*.<sup>167</sup> Moreover, despite having a chance to do so, "[t]he PTO did not adopt the general policy statement through ruling making procedures."<sup>168</sup> Therefore, from the statutory interpretation standpoint, the Federal Circuit's position appears more reasonable than the viewpoint of those supporting the broad CBM-eligibility interpretation.

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157. Sachs, *supra* note 60, at 2–3.

158. *Unwired Planet*, 841 F.3d at 1381.

159. Sachs, *supra* note 60, at 2–3.

160. Bestoso, *supra* note 17, at 396.

161. Gatzemeyer, *supra* note 46, at 532.

162. Stach, *supra* note 78, at 21.

163. Schechter, *supra* note 48, at 387.

164. Tamimi, *supra* note 77, at 624.

165. Schechter et al., *supra* note 53, at 387.

166. *Unwired Planet*, 841 F.3d at 1380.

167. *Id.*; Stach, *supra* note 78, at 21.

168. *Unwired Planet*, 841 F.3d at 1380.

### G. Policy Debate

The PTAB, the Federal Circuit, and most commentators claim that their arguments are mainly based on the statutory language and legislative intent.<sup>169</sup> However, the issue of CBM review eligibility and the broader issue of validity of business method patents must not be analyzed without considering underlying policy arguments, which undoubtedly influence the opinions of both judges and commentators.<sup>170</sup>

As mentioned above, the purpose of the patent system is promoting progress and innovation by providing incentives to inventors to invest in their work.<sup>171</sup> The flipside of such promotion of progress is creating monopolies.<sup>172</sup> Congress and courts have long struggled to strike a balance between promoting progress and cost of monopoly by respectfully creating and interpreting patent statutes.<sup>173</sup> However, one principle that is essential to this balancing is that the rules should be clearly defined by Congress and properly authorized and promulgated regulations.<sup>174</sup> The courts, on the other hand, are there to apply the text of the statutes and regulations as written, assuming the statutes are constitutional and regulations are properly authorized.<sup>175</sup> Therefore, it is unacceptable for the problems of the patent policy to be addressed by governmental bodies that are not authorized to do so.<sup>176</sup>

Recently, the problem of issuance of business method patents that are alleged to have been “poor”<sup>177</sup> has been one of the central issues of the patent policy debate.<sup>178</sup> It is suggested that based on theoretical grounds the commentators who have written on the issue of the validity of business method patents could be divided in two camps: “(1) those who believe that the patentability analysis should be steeped in historical context (backward-lookers) and (2) those who believe patent law needs to adapt itself to inventions of the modern world (forward-lookers).”<sup>179</sup>

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169. See, e.g., *Secure Access, LLC v. PNC Bank Nat'l Ass'n*, 859 F.3d 998, 1004 (Fed. Cir. 2017) (Lourie, J., dissenting) (claiming that the *Secure Access* decision is contrary to the statutory language and congressional intent); Riley et al., *supra* note 54, at 279 (arguing the broad reading of CBM eligibility is “supported by the language of the statute, the PTO regulations, and the legislative history.”).

170. See, e.g., *Secure Access*, 859 F.3d at 1002 (Taranto, J., concurring) (citing a policy consideration—lack of clarity of the proposed test—as one of the flaws of the dissenting opinion by Judge Lourie).

171. See U.S. CONST. art. I, § 8, cl. 8 (establishing the power of Congress to “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries”); Bestoso, *supra* note 17, at 385.

172. Bestoso, *supra* note 17, at 385.

173. *Id.*

174. See U.S. CONST. art. I, § 8, cl. 8 (explicitly granting the power to regulate patents to the Congress).

175. See U.S. CONST. art. III, § 2, cl. 1 (stating “The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws of the United States . . .”).

176. See *id.* (inferring that since the courts apply the text of the statutes and regulations as written, problems of the patent policy should not be addressed by governmental bodies that are not authorized to do so).

177. Gugliuzza, *supra* note 44, at 284 (citing H.R. REP. NO. 112-98, at 54 (2011), *reprinted in* 2011 U.S.C.C.A.N. 67, 84).

178. Bestoso, *supra* note 17, at 385–86.

179. *Id.*

The proponents of business method patents advance classic arguments, like need for “foster[ing] creativity and innovation in the marketplace”.<sup>180</sup> They argue that “lack of potent, reliable intellectual property protection innovation in the rather ethereal realm of software and e-commerce will discourage the development of new business methods.”<sup>181</sup> Essentially, according to the proponents of business method patents, business methods are no different from any other types of inventions, and therefore such methods deserve the same standard of patentability as inventions in any other industry.<sup>182</sup>

The antagonists of business method patents, however, do regard such patents as different.<sup>183</sup> Some commentators have suggested that essentially all “financial business method patents are invalid,” because they are directed at non-patentable subject matter—abstract ideas.<sup>184</sup> Further, scholars argue that business method patents are inconsistent with the economic goals of patents, because even without patent protection there are enough incentives for entrepreneurs to develop new and more effective business methods.<sup>185</sup> Additionally, according to business method patents antagonists, the disclosure theory, under which the patent protection exists to encourages disclosure of inventions to the public, does not justify patent protection of business methods either, because businesses are largely practiced in public and, therefore, “there is little need to especially encourage disclosure.”<sup>186</sup> The cost of such unnecessary protection is even higher in the e-commerce world where the nature of the business heightens the importance of the “head start advantage”—the advantage of being first in the market.<sup>187</sup> Further, it is claimed that “business method patents were generally unheard of in the financial industry prior to *State Street*, and the post-*State Street* influx has led to increased litigation instead of increased innovation.”<sup>188</sup> Lastly, the opponents of business method protection argue that many of the business method patents have been invalidated, especially after the Supreme Court’s decision in *Bilski*.<sup>189</sup>

In light of the strength of the arguments presented by both sides, it would seem to be most reasonable for courts to take the middle-ground approach under which business method patents will be scrutinized, but not denied patent protection entirely, which is the approach that Federal Circuit took in deciding *Unwired Planet* and *Secure Access*.<sup>190</sup>

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180. Smith, *supra* note 25, at 179.

181. *Id.* at 179-80.

182. Bonilla, *supra* note 5, at 1298-99.

183. See, e.g., Smith, *supra* note 25, at 172 (stating that one of the primary reasons for opposing business method patents is the opinion that “they are inconsistent with the economic goals of patents generally”).

184. Bestoso, *supra* note 17, at 396.

185. Smith, *supra* note 25, at 173.

186. Dreyfuss, *supra* note 26, at 275.

187. Smith, *supra* note 25, at 173.

188. Bestoso, *supra* note 17, at 396.

189. *Id.* at 375-76.

190. *Secure Access, LLC v. PNC Bank Nat’l Ass’n*, 848 F.3d 1370, 1381 (Fed. Cir. 2017), *vacated as moot*, 201 L. Ed. 2d 243 (2018); *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376, 1382 (Fed. Cir. 2016).

### H. Legislative Proposals

To be sure, there have been proposals to legislatively broaden the scope of the CBM review introduced to Congress. For example, a Senate bill called the Patent Quality Improvement Act of 2013 sought to strike the financial-product-or-service prong from the CBM patent definition.<sup>191</sup> Another 2013 proposal, a House bill titled the Stopping the Offensive Use of Patents Act (or STOP Act), attempted to change the definition of a CBM patent as well.<sup>192</sup> Both bills could be said to “reflect the sentiment that CBM Review should apply broadly.”<sup>193</sup> However, none of the bills was enacted so far. The expansion of the scope of CBM review, as well as validity of business method patents in general stays within the realm of Congress’s legislative authority.<sup>194</sup> However, until Congress decided to act, the courts and the PTAB should constrain themselves to the language of the statute and the precedents interpreting such language.<sup>195</sup> Further, the fact that there were attempts in Congress to amend the CBM review provisions that failed reaffirms the notion that the statements of single members of Congress should not be given the effect of law.<sup>196</sup>

## IV. RECOMMENDATION

The Federal Circuit’s restrictive view of CBM review eligibility as expressed in *Unwired Planet* and *Secure Access* should be maintained by the Federal Circuit and upheld by the Supreme Court, if it is challenged again, because such an approach is both justified by the canons of statutory interpretation and supported by the fundamental principles of patent policy.

First, from the statutory interpretation standpoint, Federal Circuit is right in reading the CBM-eligibility requirement narrowly. The context of the adoption of the AIA starts with the Supreme Court decision in *Bilski*.<sup>197</sup> In *Bilski*, the Court, although raising the bar of scrutiny of patent-eligibility analysis for business method patents, declined to hold that all business method patents were invalid *per se*.<sup>198</sup> Instead, the Court held in favor of case-by-case analysis.<sup>199</sup> Further, when adopting the AIA, Congress addressed the issue of business method patents and again refused to unequivocally invalidate the business method patents.<sup>200</sup> The legislature’s refusal to explicitly overrule *Bilski*

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191. Patent Quality Improvement Act of 2013, S. 866, 113th Cong. § 2 (2013).

192. Stopping the Offensive Use of Patents Act, H.R. 2766, 113th Cong. § 2 (2013).

193. Stach & Strickland, *supra* note 78, at 24.

194. See U.S. CONST. art. I, § 8, cl. 8 (explicitly granting the power to regulate patents to the Congress).

195. See U.S. CONST. art. III, § 2, cl. 1 (“The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws of the United States . . .”).

196. Cf. William N. Eskridge, Jr., *Interpreting Legislative Inaction*, 87 MICH. L. REV. 67, 67 (1988) (explaining that the Supreme Court “has grappled with [the issue of meaning of legislative inaction] since the nineteenth century, oftentimes finding inaction arguments persuasive but other times finding them unappealing.”).

197. Wood & Stroud, *supra* note 36, at 130.

198. *Bilski v. Kappos*, 561 U.S. 593, 608–09 (2010).

199. *Id.*

200. Gugliuzza, *supra* note 44, at 284 (citing H.R. Rep. No. 112-98, at 54 (2011), *reprinted in* 2011 U.S.C.C.A.N. 67, 84). *But see* Bestoso, *supra* note 17, at 394 (arguing that “by removing the definition of

thus should be interpreted as favoring the *Bilski* case-by-case approach.<sup>201</sup> Consistent with this policy, Congress established the CBM review program to provide any party allegedly injured by an improperly issued business method patent relating to financial activity with a cheaper and more efficient opportunity for a case-by-case review of such patents.<sup>202</sup> Therefore, while Congress chose to entrust the function of cleaning up “poor” business method patents to the PTAB, it only provided the Board with a limited authority to review certain business method patents—those related to financial product or service.<sup>203</sup>

Finally, despite having statutory authority to clarify the exact scope of CBM patent definition, USPTO chose not to do so and incorporated the AIA definition in its regulation without change.<sup>204</sup> Thus, the legislative intent behind the adoption of CBM program as a part of the AIA reform must be understood as providing for an easier and cheaper way of challenging the validity of a *certain group* of business method patents—those related to financial product or service.<sup>205</sup> It follows that the PTAB should not have authority to review through the framework of the CBM review program any patents that *fall outside* the statutory definition of CBM patent, particularly patents that do not directly claim an invention related to financial product or service.<sup>206</sup>

Second, from the policy perspective, the Federal Circuit’s approach appears to be most reasonable as well, because such approach makes every effort to strike a balance between scrutinizing business method patents and stripping the owners of the entire class of such patents of patent protection altogether. While there are strong arguments suggesting that business methods deserve high scrutiny,<sup>207</sup> it is hard to argue that the area of business methods does not need any incentives to invent and innovate. Totally excluding business method patents from patent protection would seem to be a harsh policy that would discriminate certain types of inventions against all the others without a clear and convincing reason for doing so. Perhaps for this very reason, despite the long-lasting dispute, including congressional debates, around the validity of business method patents, there is to date no legal authority that would provide a basis for

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method . . . the legislature has sent a clear signal that, like the courts, it is interested in limiting—if not completely eliminating—financial business method patents.”).

201. *Contra* Bestoso, *supra* note 17, at 394 (stating that the legislature “chose instead to correct it almost immediately by removing the definition of ‘method’ from § 273, signaling that the Supreme Court got it wrong in *Bilski* . . .”).

202. Leahy-Smith America Invents Act (America Invents Act), Pub. L. No. 112–29, § 18, 125 Stat. 284 (2011).

203. Gugliuzza, *supra* note 44, at 284 (citing H.R. REP. NO. 112–98, at 54 (2011), *reprinted in* 2011 U.S.C.C.A.N. 67, 84).

204. *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376, 1379 (Fed. Cir. 2016) (citing Transitional Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention, 77 Fed. Reg. 48,734 (Aug. 14, 2012)).

205. Leahy-Smith America Invents Act (America Invents Act), Pub. L. No. 112–29, 125 Stat. 284 (2011); *see* Gugliuzza, *supra* note 44, at 284 (citing H.R. REP. NO. 112–98, at 54 (2011), *reprinted in* 2011 U.S.C.C.A.N. 67, 84).

206. *Secure Access, LLC v. PNC Bank Nat’l Ass’n*, 848 F.3d 1370, 1379 (Fed. Cir. 2017).

207. *See, e.g.,* Smith, *supra* note 25, at 172 (stating that one of the primary reasons for opposing business method patents is the opinion that “they are inconsistent with the economic goals of patents generally . . .”).

total elimination of business method patent protection.<sup>208</sup> Therefore, the middle-ground approach under which business method patents are scrutinized but not entirely banned from patent protection, appears to be most reasonable.

When creating the CBM review program, Congress sent a clear message that the program was designed to remove *some poor* business method patents.<sup>209</sup> This message was taken by some, perhaps wrongly, as an expression of hostility of the legislature toward business method patents as a class.<sup>210</sup> This perceived hostility, therefore, transformed into the PTAB practice (as evidenced by the high invalidation rate in CBM review proceedings),<sup>211</sup> courts decisions (as shown by the trend for invalidating business method patents),<sup>212</sup> and academic writings.<sup>213</sup> To prevent potential overreaching results of such skepticism, courts must be careful in expanding the scope of CBM review eligibility to make sure that the baby is not thrown out with the bathwater. This is exactly the position that Federal Circuit took in interpreting the AIA in both *Unwired Planet* and *Secure Access*.<sup>214</sup>

On one hand, *Unwired Planet* and *Secure Access* did not limit the access of petitioners to challenging patents that do directly claim an invention that is financial in nature through the cheaper and quicker process of CBM review.<sup>215</sup> On the other hand, the Federal Circuit also made sure that before being subject to such petitioner-friendly proceeding, the challenged patents are carefully screened for precise fitness with the statutory definition of a CBM patent.<sup>216</sup> Thus, under the narrow reading of CBM eligibility expressed in *Unwired Planet* and *Secure Access*, business method patents (and patents that may appear like them), while still being subject to CBM review if they pass the strict “financial product or service” standard, are not being blindly subjected to nearly-certain invalidation as a class. In light of the overall skepticism towards business method patents, the Supreme Court’s holding in *Bilski*, and the statutory language of the AIA, the Federal Circuit’s approach expressed in *Unwired Planet* and *Secure Access* is correct.

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208. Gugliuzza, *supra* note 44, at 284 (citing H.R. REP. NO. 112-98, at 54 (2011), *reprinted in* 2011 U.S.C.C.A.N. 67, 84). *But see* Bestoso, *supra* note 22, at 394 (arguing that by enacting the AIA “the legislature has sent a clear signal that, like the courts, it is interested in limiting—if not completely eliminating—financial business method patents.”).

209. H.R. REP. NO. 112-98, at 54 (2011), *reprinted in* 2011 U.S.C.C.A.N. 67, 84.

210. *See, e.g.*, Bestoso, *supra* note 22, at 394 (“The legislature sent an even stronger message with the Program, which expressly and unequivocally targets financial business method patents.”).

211. *See* Schecter et al., *supra* note 53, at 385 (finding that 96.1% of CBM final written decisions invalidate at least one challenged claim); *see also* Vishnubhakat et al., *supra* note 47, at 80 (noting the high CBM institution rates on different grounds of patentability); *see also* Wood & Stroud, *supra* note 39, at 133 (finding that petitioners for CBM review “have had substantive success instituting § 101 challenges . . .”).

212. *See* Bestoso, *supra* note 22, at 396 (suggesting that most of the business method patents challenged in federal courts have been invalidated).

213. *See, e.g.*, Smith, *supra* note 25, at 172 (discussing the arguments of the opponents of business method patents).

214. *Secure Access, LLC v. PNC Bank Nat’l Ass’n*, 848 F.3d 1370, 1381 (Fed. Cir. 2017); *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376, 1382 (Fed. Cir. 2016).

215. *Secure Access*, 848 F.3d at 1381; *Unwired Planet*, at 841 F.3d at 1382.

216. *Secure Access*, 848 F.3d at 1381; *Unwired Planet*, at 841 F.3d at 1382.

Lastly, the Federal Court's decisions in *Unwired Planet* and *Secure Access* have been criticized for ambiguity and the potential for creating odd results.<sup>217</sup> None of these arguments warrants reversing Federal Circuit's standard for CBM eligibility. First, it is worth noting that the two arguments contradict each other. The ambiguity argument, essentially, criticizes Federal Circuit "financial service or product" for uncertainty about its application to certain patents that are not traditionally considered business method patents.<sup>218</sup> At the same time, the criticism for the potential for odd results effectively accuses the Federal Circuit's approach of being overly rigid in its focus on the language of the patent claims.<sup>219</sup> In other words, the *Unwired Planet/Secure Access* test is criticized for being both too rigid and too uncertain at the same time. However, opponents of the Federal Circuit's approach cannot have it both ways. Contrary to their intention, the critics actually prove that *Unwired Planet/Secure Access* approach strikes a good balance between clarity and flexibility.

Further, the argument according to which the Federal Circuit's approach creates ambiguity is misplaced. Those who advance the ambiguity criticism argue that the narrow CBM eligibility definition creates uncertainty as to its application to certain patents that are not traditionally considered business method patents.<sup>220</sup> However, even if this is so, the fault is not of the court, but of Congress. When Congress adopted the AIA it worded the statute abstractly without providing the definition of "financial product or service" and "technological innovation."<sup>221</sup> The legislative history of the AIA indicates that Congress intended that patents subject to CBM review would come from outside the class 705, which is regarded as the home of traditional business method patents.<sup>222</sup> Thus, it was Congress who created the ambiguity in the first place. Further, USPTO did nothing to cure the inherent ambiguity of these terms when adopting the respective regulations relating to CBM review.<sup>223</sup> Therefore, the Federal Circuit, who made every effort to clarify the CBM eligibility in *Unwired Planet* and *Secure Access*, should be the last to be blamed for the ambiguity of the CBM patent definition.

The second argument—the alleged rigidity of *Unwired Planet / Secure Access* test—has more merit than any other argument advanced against the Federal Circuit's approach. After all, there was at least one CBM proceeding<sup>224</sup> where the patent owner appeared to have gamed the Federal Circuit's test which requires at least one claim to directly include language to the effect of covering

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217. Carrier & Sooy, *supra* note 59, at 1691.

218. *See id.* ("While the Federal Circuit has recently construed the scope of CBM review narrowly, it has also made clear that the statute covers products outside the financial industry, which makes it a potential option for challenging REMS patents.")

219. *Id.*

220. *Id.*

221. Leahy-Smith America Invents Act (America Invents Act), Pub. L. No. 112-29, § 18, 125 Stat. 284 (2011).

222. Tamimi, *supra* note 77, at 624.

223. 37 C.F.R. § 42.301.

224. *See Ford Motor Co.*, CBM2016-00100, 2017 WL 1087387, at \*5 (discussing Ford Motor disclaiming dependent claims that contained the language that was directly related to financial activity, to save the other broader claims of the patent from the scrutiny of CBM review).

a method used in the practice of financial product or service.<sup>225</sup> A solution to this problem would be a slight modification to the *Secure Access* holding. Instead of requiring CBM patent to “have a claim that contains . . . a financial activity element,”<sup>226</sup> the modified test should require a patent to *have or once have had* (in cases when certain claims were disclaimed after the issuance of the patent) a claim that contains a financial activity element.

## V. CONCLUSION

The Federal Circuit’s narrow approach to the interpretation of the definition of CBM-eligible patent expressed in *Unwired Planet* and *Secure Access* (before *Secure Access* was vacated by the Supreme Court) should be further applied by the PTAB and courts, and should be affirmed by the Supreme Court if it is challenged again, because it best reflects the current state of the law as expressed by both the Supreme Court and Congress. Further, such a restrictive reading of CBM-eligibility is justified by patent policy because it affirms the balanced view under which business method patents are scrutinized, but not denied patent protection altogether.

By adhering to the narrow language of the statute, the Federal Circuit essentially reaffirmed, rather than frustrated as claimed by some, Congress’s policy for providing only a *limited* opportunity for review of *certain* CBM patents. The court rejected the PTAB’s broad reading of CBM eligibility which could have subjected an unreasonably broad number of patents to the burden of extremely petitioner-friendly CBM review. Such potential abuse of CBM review ought to be prevented for both legal (statutory interpretation) and policy (balancing the need for incentive to innovate with the cost of granting monopoly) reasons. If one were to claim that all business method patents are invalid, one would need to persuade Congress to embody such a notion in the language of the patent statute, not just in single statements of participants of the legislative process.

Taking into account such policy considerations and the position of Congress and the Supreme Court, the CBM review statutory provisions must be read to provide only a limited opportunity to challenge certain business method patents, rather than to subject an unreasonably broad class of method patents to a nearly certain invalidation. The Federal Circuit’s reading in *Unwired Planet* and *Secure Access* does just that, and, therefore, should be further applied and upheld by the Supreme Court if challenged again.

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225. *Secure Access, LLC v. PNC Bank Nat’l Ass’n*, 848 F.3d 1370, 1378–79 (Fed. Cir. 2017).

226. *Id.* at 1381 (emphasis added).