

## In re Comiskey

No. 06-1286, Fed. Cir. (Michel, Dyk,\* Prost)

***[T]he application of human intelligence to the solution of practical problems is not in and of itself patentable.***

On January 13, 2009, the Federal Circuit en banc withdrew the September 20, 2007 panel opinion in favor of a revised opinion affirming-in-part, reversing-in-part, and remanding the Board of Patent Appeals and Interferences decision that upheld the examiner's rejection under 35 U.S.C. § 103 of certain claims of U.S. patent application Serial No. 09/461,742, which related to a mandatory arbitration system involving legal documents such as wills or contracts. The Federal Circuit stated:

We do not reach the ground relied on by the Board below—that the claims were unpatentable as obvious . . . —because we conclude that many of the claims are “barred at the threshold by § 101.” [Comiskey] asserts that “[t]his Court lacks the power to sua sponte raise and thereafter decide a statutory ground of patentability never raised during the agency proceeding below” because our review of the Board’s decision is required to be “on the record before the Patent and Trademark Office” under 35 U.S.C. § 144 and the Administrative Procedure Act (“APA”), 5 U.S.C. § 706. “[W]e may, however, where appropriate, affirm the [agency] on grounds other than those relied upon in rendering its decision, when upholding the [agency’s] decision does not depend upon making a determination of fact not previously made by the [agency].” [The] lack of statutory subject matter is a “ground [for affirmance] within the power of the appellate court to formulate.” While there may be cases in which the legal question as to patentable subject matter may turn on subsidiary factual issues, Comiskey has not identified any relevant fact issues that must be resolved in order to address the patentability of the subject matter of Comiskey’s application. Moreover, since we would review a Board decision on the issue of patentability without deference, the legal issue concerning patentability is not “a determination of policy or judgment which the agency alone is authorized to make.” In these circumstances, [we may] supply a new legal ground for affirmance, [and indeed, are encouraged to do so] where, as here, “[i]t would be wasteful to send” the case back to the agency for a determination as to patentable subject matter. . . .

Comiskey’s application may be viewed as falling within the general category of “business method” patents. . . . The very cases of this court that recognized the patentability of some business methods have reaffirmed that abstract ideas are not patentable. The prohibition against the patenting of abstract ideas has two distinct (though related) aspects. First, when an abstract concept has no claimed practical application, it is not patentable. . . . Second, the abstract concept may have a practical application. [A] claim that involves both a mental process and one of the other categories of statutory subject matter (i.e., a machine, manufacture, or composition) may be patentable under § 101. . . . However, mental processes—or processes of human thinking—standing alone are not patentable even if they have practical application. The Supreme Court has stated

that “[p]henomena of nature, though just discovered, mental processes, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work.” . . . Following the lead of the Supreme Court, this court and our predecessor court have refused to find processes patentable when they merely claimed a mental process standing alone and untied to another category of statutory subject matter even when a practical application was claimed. . . . It is thus clear that the present statute does not allow patents to be issued on particular business systems—such as a particular type of arbitration—that depend entirely on the use of mental processes. In other words, the patent statute does not allow patents on particular systems that depend for their operation on human intelligence alone, a field of endeavor that both the framers and Congress intended to be beyond the reach of patentable subject matter. Thus, it is established that the application of human intelligence to the solution of practical problems is not in and of itself patentable.

[W]e now turn to Comiskey’s application and begin with independent claims 1 and 32 which recite “[a] method for mandatory arbitration resolution” regarding unilateral and contractual documents. Comiskey has conceded that these claims do not require a machine, and these claims evidently do not describe a process of manufacture or a process for the alteration of a composition of matter. Comiskey’s independent claims 1 and 32 claim the mental process of resolving a legal dispute between two parties by the decision of a human arbitrator. They describe in essence “conducting arbitration resolution for [a] contested issue” and “determining an award or a decision for the contested issue” through a pre-determined “mandatory” arbitration system, and thus claim the use of mental processes to resolve a legal dispute [and as such] are unpatentable.

[I]ndependent claims 17 and 46 . . . under the broadest reasonable interpretation, could require the use of a machine as part of Comiskey’s arbitration system. [C]laims 15, 30, 44, and 58 [add] the following limitation to its corresponding independent claim: “wherein access to the mandatory arbitration is established through the Internet, intranet, World Wide Web, software applications, telephone, television, cable, video [or radio], magnetic, electronic communication, or other communications means.” As to all of these claims, which under the broadest reasonable interpretation recite the use of a machine, we think that the § 101 question should be addressed in the first instance by the PTO. We therefore remand to the PTO to consider whether independent claims 17 and 46 (with dependent claims 18-29, 31, 47-57, and 59) and dependent claims 15, 30, 44, and 58 recite patentable subject matter under § 101.

*The previous statements are for information purposes only, and do not constitute legal advice. Questions regarding the matters discussed above, and any requests to be subscribed to the free electronic distribution of this publication, may be directed to Lawrence M. Sung, Ph.D., at +1 202.346.7850 or lsung@dl.com, or to any other Dewey & LeBoeuf LLP attorney with whom you regularly consult.*

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