



July 31, 2012

Federal Circuit Invalidates Computer-Based Patent Claims**Intellectual Property Client Alert**

This Alert provides only general information and should not be relied upon as legal advice. This Alert may be considered attorney advertising under court and bar rules in certain jurisdictions.

For more information, contact your Patton Boggs LLP attorney or the authors listed below.

Kevin M. Bell
kbell@pattonboggs.com

B. Dell Chism
dchism@pattonboggs.com

WWW.PATTONBOGGS.COM

On July 26, the Federal Circuit held in *Bancorp v. Sun Life* that computer-based patents are invalid for lacking patentable subject matter under 35 U.S.C. § 101. The Court held that if computer limitations are not “integral to the claimed invention” or drawn to “a very specific application of the inventive concept,” then methods for administering and tracking the value of life insurance policies are not patentable. Specifically, if the claim merely involves a computer doing calculations more efficiently than could be done by mental processes, then the claim is not patentable.

As with many of these cases, the issue is whether a computer is actually required. The Court held that the presence of a computer could be treated as “equivalent to an abstract mental process for purposes of patent eligibility.”

In taking a historical perspective, Judge Lourie (writing for the Court) linked the definition of “computer” to “a person employed to make calculations.” The Court used this perspective to demonstrate “the interchangeability of certain mental processes and basic digital computation.” Thus, to distinguish a person from a computer based invention through the “integral” requirement, the computer must facilitate the “process in a way that a person making calculations or computations could not.”

To this point, the Court stated, “[i]t is the management of the life insurance policy that is ‘integral to each of Bancorp’s claims at issue,’ not the computer machinery that may be used to accomplish it.” The computer does not “play a ‘significant part’ in the performance of the claimed invention,” and lacks “a very specific application” of the inventive concept. Consequently the patents were held invalid for claiming unpatentable subject matter under 35 U.S.C. § 101.

A copy of the decision in *Bancorp v. Sun Life*, No. 2011-1467, is available [here](#).

This Alert provides only general information and should not be relied upon as legal advice. This Alert may also be considered attorney advertising under court and bar rules in certain jurisdictions.