Client Alert: Not So Fast: Factual Questions Preclude Early Resolution of Patent Invalidity Contentions

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In addressing issues of subject matter eligibility, the Federal Circuit recently reached a potentially momentous decision in *Berkheimer v. HP, Inc.*[1] In its opinion, the Federal Circuit addressed proper selection of a representative claim for purposes of patent eligibility evaluation, and the appropriateness of determining subject matter eligibility at summary judgment.

Regarding selection of a representative claim, the Federal Circuit confirmed that courts may treat a claim as representative "if the patentee does not present any meaningful argument for the distinctive significance of any claim limitations not found in the representative claim." In *Berkheimer*, the Court held that the district court erred in treating claim 1 of the patent at issue as representative on the basis that it was the only independent claim and that "Mr. Berkheimer focused all of his primary arguments on claim 1." The Court clarified that a claim is not illustrative simply because it is an independent claim, and added that the district court's statement that all primary arguments are focused on claim 1 acknowledged the presence of additional arguments made with reference to the other dependent claims.

For a patent owner, it is important for eligibility analysis to be conducted for each claim individually, rather than a single "illustrative claim." Consequently, it is important to present at least some argument for each claim's eligibility to prevent analysis based on a single, broad illustrative claim.

The Court in *Berkheimer* also re-emphasized that whether a claim recites patent eligible subject matter is a question of law that may contain underlying factual issues. The Court clarified that whether something is well-understood, routine, and conventional to a skilled artisan at the time of the patent is a factual determination, and "[t]he mere fact that something is disclosed in a piece of prior art, for example, does not mean it was well-understood, routine, and conventional." In the present case, Mr. Berkheimer identified features in the specification which he asserted were unconventional and inventive,

and claimed such features in dependent claims 4-7. While not declaring the claims eligible for patent protection, the Federal Circuit found that "whether claims 4-7 perform well-understood, routine, and conventional activities to a skilled artisan is a genuine issue of material fact making summary judgment inappropriate with respect to these claims."

Similarly, in *Aatrix Software v. Green Shades*[2], the Court vacated a Rule 12(b)(6) dismissal for lack of patent eligibility. After Aatrix sued, Green Shades moved for dismissal on the grounds that two Aatrix patents at issue claimed patent-ineligible subject matter. The district court granted the motion and simultaneously denied Aatrix's motion to file an amended complaint showing that the patents contained something more than conventional activities and were thus not abstract. On appeal, the Federal Circuit acknowledged that patent eligibility can be determined at the Rule 12(b)(6) stage, but noted that the lower court granted the Rule 12(b)(6) motion prior to claim construction and in the face of factual allegations detailed in Aatrix's proposed amended complaint, that, if accepted as true, established that the claimed combination contains inventive concepts and improves the workings of a computer. Consequently, the Court remanded to allow Aatrix to file its amended complaint.

Practice Note

For patent owners bringing an infringement suit, *Berkheimer* and *Aatrix* underscore the need to argue that limitations in **each** asserted claim contain inventive features that are not well-understood, routine, or conventional to a skilled artisan. Asserting these facts in a complaint should make dismissal of a suit based on Rule 12(b)(6) difficult, if not impossible. A properly constructed complaint that includes facts supporting a contention that each asserted claim recites inventive, unconventional features is also likely to withstand summary judgment, extending disputes and forcing a bench or jury trial.

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[1] *Steven E. Berkheimer v. HP Inc.,* 2017-1437 (Fed. Cir. Feb. 8, 2018)

[2] *Aatrix Software, Inc., v. Green Shades Software, Inc.*, 2017-1452 (Fed. Cir. Feb. 14, 2018)