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Insights: Alerts

CBM Review Standard

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Whether a patent qualifies for a CBM review has been a moving target. Early decisions held that the claims do not need to be directed to a "financial product or service," since a reference in the specification to a financial use may be sufficient. More recently, there have been CBM decisions requiring that a specification reference isn't enough, and that the claim language must meet the statutory requirement of "*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*." AIA § 18(d)(1).

CBM review has been avoided by disclaiming financial claims. In Plaid Technologies, Inc. v. Yodlee, Inc., (CBM2016-00070, 10-6-2016), the PTAB denied review because none of the challenged claims were "explicitly or inherently" financial. The patent owner had disclaimed, under 35 USC § 253(a), the only claims that were expressly directed to financial products or services. The remaining claims were directed to restructuring device-specific internet data to a different format. The disclaimed dependent claims recited "billing schedules retrieved for a client are converted into two or more records." The timing of the disclaimer is critical. The Yodlee disclaimer was filed just before the preliminary response. However, a disclaimer after institution of a CBM trial is too late (J.P. Morgan Chase & Co. v. Intellectual Ventures II LLC, CBM2014-00157, 1-12-2016).

The Federal Circuit recently ruled in *Unwired Planet v. Google* (CBM 2014-00006, Fed. Cir. Nov. 21, 2016) that the PTO's application of CBM review to claims that are "incidental" or "complementary" to a financial activity went beyond the statute. The Unwired patent related to privacy preferences and allowing applications to access a mobile device's location. Google had noted that the specification discusses using the claimed method to facilitate advertising, which would thereby facilitate financial activity. The Federal Circuit said that "All patents, at some level, relate to potential sale of a good or service." The PTAB decision was vacated and remanded.

Thus, until there is further clarification, it is risky to petition for a CBM review where the claims themselves do not relate to a financial activity. Even where some of the claims themselves refer to financial activity, CBM review may be avoided by disclaiming those claims.

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