

## LIFOCUS

# It's getting harder to patent software

Changes to laws, technology create new challenges

By KYLE BARR

Software comes down to a series of algorithms – a set of directions that a computer works through to get from an input to a desired output.

Just as programming is always expanding and developing, so too are patent laws. For software developers and the attorneys who represent them, it has become much more challenging to argue patent claims for software. Underscoring this trend, the Nassau County Bar Association last month hosted a continuing education seminar that focused on the difficulties of patenting software.

"It used to be that method claims were straightforward and simple," said Barry Lewin, a partner at Manhattan-based Gottlieb, Rackman & Reisman, who presented at the Nassau Bar seminar. "Ordinarily a method patent articulates an algorithm, but what's now patentable is a special algorithm, something that's new or different."

Several recent U.S. Supreme Court decisions and changes to the America Invents Act have upset the order, making it much more difficult to obtain a software patent.

Of particular note is the U.S. Supreme Court decision in *Alice Corp v. CLS Bank International* in May 2013, where Alice owned several patents on electronic methods and computer programs for financial trading systems and contested that CLS Bank infringed on those patents. The court decided by a 9-0 margin that Alice's programs were not patentable, and that each claim needed a two-step process. One, the court must examine whether the claim contains an abstract idea, and two, the court must determine if the idea adds "something extra" that embodies an "inventive concept."

"The net effect is that there are more rejections of patent applications," Lewin said.

Software patents have been under increased scrutiny for several years due to their malicious use by non-practicing entities, or patent

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Photo by Bob Giglione

**EUNHEE PARK:** There's a greater emphasis on how the software works with hardware.

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trolls – persons or companies that do not necessarily invent or manufacture anything, but that purchase patents, often from bankrupt countries, and subsequently sue others for infringement.

"A lot of these claims had to do with software and big industries like banking, airlines and automobiles," said Alan Sack, the founder and president of Sack IP Law in Syosset. "When I graduated from law school in 1983, patent law was becoming more open. Now it's come full circle – it's tighter now."

Sack pointed to the 2011 America Invents Act as one of the instigators for the new scrutiny on software patents. The Act changed the process of awarding patents, giving them to the first party to file for the patent rather than the first to invent, and

increased the opportunity for third parties to challenge the validity of patents after they are issued.

Rather than "pure software," patents are increasingly reserved for "inventions that use computer software – that's a key to it," Sack said.

The best way to argue for a software patent is to focus on its direct functionality and use in a physical product.

"It can be anything to do with a computer operating system or something that improves technology," said Eunhee Park, a partner at Scully Scott Murphy & Presser, an intellectual property law firm based in Garden City. "It can be software that works with hardware, such as in a web server. Look to the technical solution the software is providing."

"Claims have to be supported by specification – the more detail, the merrier," Lewin said. "You should really strongly articulate what is unique. You should have it written in textual form, just what is different about your software."

The net effect is that software is still patentable, but it is now harder to argue for in courts, and the process will take more effort and time.

"It has to be a thoughtful process," Sack said, noting that both companies and patent attorneys need to constantly stay on top of changes to technology and patent law.

"Keep up with the current way of trying to express it," Sack said. "You have to have a full understanding of both the law and the technology."