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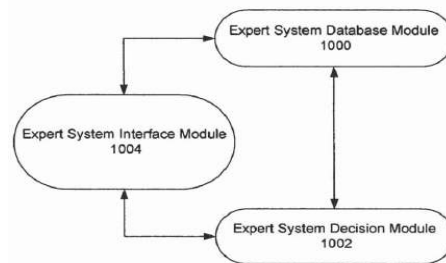
VEHICLE INTELLIGENCE v. MERCEDES-BENZ USA, LLC: AN APPLICATION OF THE 2-STEP TEST ON WHETHER A CLAIM FALLS INTO THE JUDICIALLY CREATED EXCEPTION OF PATENT-INELIGIBLE ABSTRACT IDEAS UNDER 35 U.S.C. §101**By: Mel R. Quintos**

In the case of *Vehicle Intelligence v. Mercedes-Benz USA, LLC*, decided upon by the U.S. Court of Appeal for the Federal Circuit (CAFC) on December 28, 2015, the district court determined, and the parties agreed, that the claims at issue in U.S. Patent No. 7,394,392, owned by Vehicle Intelligence, fall within the broad categories of patentable subject matter under 35 U.S.C. §101 (i.e., “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof”).

On appeal, however, the CAFC must determine whether the district court was correct in deciding that the claims at issue do not fall into the judicially created exception of patent-ineligible abstract ideas and are therefore invalid as drawn to patent-ineligible subject matter under 35 U.S.C. §101. In doing so, the CAFC applied the following 2-Step Test introduced in the U.S. Supreme Court case of *Mayo Collaborative Services v. Prometheus Laboratories, Inc.* and further explained in yet another U.S. Supreme Court case, *Alice Corp. Party v. CLS Bank International*:

- (1) whether the claims at issue are directed to a patent-ineligible concept; and
- (2) the elements of the claim at issue are examined to determine whether it contains an “inventive concept” sufficient to “transform” the claimed abstract idea into a patent-eligible application.

The claims of the ‘392 patent are directed to “methods and systems that screen operators for impairment, selectively test those operators, and control the equipment if an impairment is detected.” Shown below is FIG. 8 of the ‘392 patent:



The illustrated system includes a decision module 1002, which “makes the actual determination of whether or not the equipment operator is impaired and decides which control response to make if there is an impairment.” According to Vehicle Intelligence, the following are at least four inventive concepts in the claims at issue:

- (1) screening by one or more expert systems;
- (2) selectively testing;
- (3) a time-sharing allocation of at least one processor; and
- (4) a screening module that includes one or more expert systems that use at least a portion of one or more equipment modules.

With respect to Step (1) of the *Mayo/Alice* 2-Step Test, the CAFC agreed with the district court’s finding that the claims at issue are directed to a patent-ineligible concept. That is, the claims are directed to “the abstract idea of testing operators of any kind of moving equipment for any kind of physical or mental impairment.” More particularly, the CAFC found that none of the claims at issue: “[1] are limited to a particular kind of impairment, [2] explain how to perform either screening or testing for any impairment, [3] specify how to program the ‘expert system’ to perform any screening or testing, or [4] explain the nature of control to be exercised on the vehicle in response to the test results.”

Moreover, the CAFC found that what are critically absent in the patent are: (1) *how* the existing vehicle equipment measures the characteristics that determine if the equipment operator has a “true impairment”; (2) *how* the decision module determines if an operator is impaired based on such measurements; (3) *how* the decision module 1002 decides which control response to make; and (4) *how* the “expert system” effectuates the chosen control response. The CAFC therefore concluded that “in the absence of any details about how the ‘expert system’ works, the claims at issue are drawn to a patent-ineligible abstract idea, satisfying *Mayo/Alice* step one.”

With respect to Step (2) of the *Mayo/Alice* 2-Step Test, Vehicle Intelligence argues that its claimed method includes “specialized existing equipment modules” (such as, gas and brake pedals, vehicle steering wheel, and stereo, navigation, anti-theft, and climate-control systems), which should render such modules patent-eligible. Vehicle Intelligence further argues that the processors used in its claimed methods may be “commercially available microprocessor of any word bit width and clock speed, a control Read-Only-Memory, or a data processing equivalent.” In response, the CAFC ruled that in a post-*Mayo/Alice* analysis: “[m]erely stating that the methods at issue are performed on already existing vehicle equipment, without more, does not save the disputed claims from abstraction.” Emphasis added.

With respect to the elements of the claims at issue, the CAFC found that the claims: “[1] *do not* specify what screening should be done or how the expert system would perform such screening *** [2] *do not* explain how to select the tests to run or even what tests to select from *** [3] *do not* explain how the ‘time-sharing allocation’ on a processor should be done *** [; and 4] *do not* explain how the expert system works to screen for impairments or how such systems can be portioned out over one or more equipment modules.” Thus, the claims remain as an abstract idea of testing an equipment operator for impairments.

Decision: The claims at issue are drawn to patent-ineligible subject matter under 35 U.S.C. §101. The district court’s finding of invalidity is therefore AFFIRMED.

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