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Transitional Program for Covered Business Method Patents - Definitions of Covered Business Method Patent and Technological Invention (TPCBM)

CLIENT/FOREIGN ASSOCIATES

Summary

After September 16, 2012, if a client is accused of infringement of a business method patent directed to the general field of data processing or other operations for financial matters, then a post grant review is available, if a petition is prepared and filed having a filing fee of **\$35,800.**

Additional Information

As of September 16, 2012, if a client has been charged with, or asserted to infringe, a business method patent in the general field of data processing or other operations for financial matters, then a post-grant review proceeding of the patent may be available under the AIA. In the post-grant review proceeding the validity of one or more claims of the business method patent may be challenged in the Patent Office.

A post-grant review proceeding is available for "covered business method patents" between September 16, 2012 and September 16, 2020, if the patent under consideration issued prior to September 16, 2011. Generally, a "covered business method patent" is "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." The existence of the exception for technological inventions will be determined on a case-by-case basis. Generally, a technological invention is a patent where the claimed subject matter as a whole recites a technological feature that is novel and unobvious over the prior art, and solves a technical problem using a technical solution. (Novelty turns on a technological innovation over the prior art and is concerned with a technical problem which is solved with a technical solution and which requires the claims to state the technical features which the inventor desires to protect.)

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Provided below is a general list of subject matter within business method patents which may be subject to post-grant review under the AIA. Please note that the below list is not exhaustive of types of business method patents which may be subject to review under the AIA.

- computerized postage metering and cash register systems
- financial transaction systems
- electronic shopping
- advertising management systems
- cost/price determination
- activities that are financial in nature
- activities incidental to a financial activity or complementary to a financial activity
- methods for performing data processing operations, in which there is a significant change in the data
- methods for performing calculation operations wherein the apparatus or method is uniquely designed for or utilized in the practice, administration, or management of an enterprise
- methods for processing of financial data and corresponding methods for performing data processing or calculating operations in which a charge for goods or services is determined
- the above subject matter in combination with cryptographic apparatus or methods
- administration of an organization
- methods directed to commodities or financial transactions
- a "business machine" or a document as a "business form" or "business chart" without any particular business function

A post-grant review proceeding under the AIA for a business method patent may be based upon prior art, upon failure to comply with 35 U.S.C. §112 (except best mode), lack of written description, and/or enablement, 35 U.S.C. §101, §102 (based on certain references), and/or §103. Generally, following the filing of a petition for post-grant review, the Patent Office will determine whether to institute a post-grant review/trial within three months after a patent owner preliminary response date.

If the business method patent being reviewed is involved in litigation, then a stay may be requested from the district court. A party may be estopped in another proceeding before the USPTO or within a court action for grounds which were raised during the transitional post-grant review proceeding of a business method patent.

The PTO filing fees for a petition for Covered Business Method Patent Review are expected to be: **\$35,800** (20 or fewer claims, and \$800 for each claim in excess of 20) for which

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review is sought. The PTO has estimated that the attorney fees for preparing a petition for Covered Business Method Patent Review will be **\$61,333** based on the American Intellectual Property Law Association's AIPLA Report of the Economic Survey 2011 (Average hourly fee of \$371). The PTO has estimated that the attorney fees for the preparation and filing of a patent owner preliminary response would require 91.6 hours of professional time and cost **\$34,000** as based on the AIPLA Report of the Economic Survey 2011. (Average hourly fee of \$371)

The AIPLA Report of the Economic Survey 2011 reports that where the damages at risk in litigation are less than \$1,000,000 the total cost of patent litigation was, on average, \$916,000, where the damages at risk are between \$1,000,000 and \$25,000,000 the total cost was, on average, \$2,769,000, and where the damages at risk exceed \$25,000,000 the total cost was, on average, \$6,018,000.