

Keywords: patentable subject matter; claim construction; software patents

General: Claims covering improvements to computer functionality are patentable subject matter under 35 U.S.C. § 101 while recitations directed to results alone are not.

Finjan, Inc. v. Blue Coat Systems, Inc.
U.S. Court of Appeals for the Federal Circuit
No. 2016-2520
Decided: January 10, 2018

I. Background

In 2013, Finjan brought suit against Blue Coat for infringement of several patents owned by Finjan directed to identifying and protecting against malware. Specifically, at issue, U.S. Patent No. 6,154,844 (“the ‘844 patent”) recites a system and method for providing computer security by attaching a security profile to a downloadable. At trial, the jury found that Blue Coat infringed the ‘844 patent and three other patents and awarded Finjan approximately \$39.5 million in reasonable royalty damages. After a bench trial, the district court concluded that the ‘844 patent is directed to patent-eligible subject matter under 35 U.S.C. § 101. The district court then denied Blue Coat’s motions for judgment as a matter of law (“JMOL”) and a new trial after concluding that Finjan had provided substantial evidence to support each finding of infringement and the damages award. Thereafter, Blue Coat appealed the district court’s rulings on subject matter eligibility of the ‘844 patent; infringement of the ‘844 patent and two other patents; and damages for the ‘844 patent and three other patents.

Independent Claim 1 of the ‘844 patent:

A method comprising:
receiving by an inspector a Downloadable;
generating by the inspector a first Downloadable security profile that identifies suspicious code in the received Downloadable; and
linking by the inspector the first Downloadable security profile to the Downloadable before a web server makes the Downloadable available to web clients.

II. Issue:

Whether the district court erred in determining that the ‘844 patent is directed to patent-eligible subject matter under 35 U.S.C. § 101?

III. Holding

No. The Federal Circuit determined that the claims of the '844 patent are (A) directed to a non-abstract improvement in computer functionality and (B) recite more than a mere result.

IV. Discussion

At step one of the *Alice* framework, the court referred to its prior decisions in *Affinity Labs of Texas* and *Enfish* to examine the '844 patent's "claimed advance" to determine whether the claims were directed to an abstract as well as to note that software-based innovations can make "non-abstract improvements to computer technology." Upon adopting the lower court's claim construction of the '844 patent, the court determined that the '844 patent is directed to a method of providing computer security by scanning a downloadable and attaching the results of that scan to the downloadable itself in the form of a security profile.

The court relied heavily on the specification of the '844 patent to distinguish the claims from conventional virus screening that merely recognizes the presence of previously-identified viruses from a database (which had been previously determined to be abstract subject matter by the Fed. Cir. in *Intellectual Ventures I*). The court found that the claims of the '844 patent provide a behavior-based virus scan, which determines whether a downloadable's code may perform potentially dangerous or unwanted operations (e.g., renaming or deleting files). The court determined that the behavior-based virus scan improves upon a conventional virus scan by granting additional protection against previously unknown viruses or known viruses that have been cosmetically modified to avoid detection.

The court also determined that the security profile approach, as recited in claim 1 of the '844 patent, enables a computer security system to "do things it could not do before." As such, the court found that the asserted claims were directed to "a non-abstract improvement in computer functionality" rather than the abstract idea of computer security at large. In support of this finding, the court noted that a foundational patent law principle from the Supreme Court decision in *Corning v. Burden* is that a result, even an innovative result, is itself not patentable; however, the court distinguished the present claims as reciting more than a mere result, they were found to recite specific steps that accomplish the desired result and, therefore, were patentable.

V. Conclusion

The court reaffirmed that patent eligibility for software-related inventions can be established by showing that the disclosed invention results in an improvement to the operation of the underlying computer system. Additionally, details as to how a claimed method is implemented (i.e., the steps required to arrive at a novel result) can be sufficient to render a claim patentable and it is helpful to have differences (advantages, etc.) between the prior art and the invention of the claims clearly set forth in the specification.