

APPLE, INC. v. AMERANTH, INC., Appeal Nos. 2015-1703, 2015-1704 (Fed. Cir. Nov. 29, 2016). Before Reyna, Chen, Stoll. Appealed from Patent Trial and Appeal Board.

Background:

Ameranth filed various suits against a number of companies, alleging infringement of three of its patents. The patents are directed to computer systems with hardware and software for use in the restaurant industry. In particular, the patents describe an embodiment of a menu that is displayed to a user, from which another menu is generated. Several of the defendants in the suits joined Apple to challenge the validity of the patents in three Covered Business Method (CBM) reviews before the PTAB. In the CBM reviews, the PTAB held that certain claims in each of the three patents were unpatentable under 35 U.S.C. §101 as being directed to nothing more than an abstract idea of generating menus. Regarding certain dependent claims in one of the three patents, the PTAB held that the dependent claims were patentable.

Issues/Holdings:

Did the PTAB err in finding certain claims of Ameranth's patents unpatentable under 35 U.S.C. §101? No, affirmed. Did the PTAB err in finding certain other claims of an Ameranth patent were not unpatentable under 35 U.S.C. §101? Yes, reversed.

Discussion:

The Federal Circuit affirmed the PTAB decision that certain claims of each of Ameranth's three patents were unpatentable. First, the Federal Circuit agreed with the PTAB's conclusion that the claims are directed to an abstract idea, namely, the ability to generate menus with certain features. The Federal Circuit found that the patents do not claim a particular way of programming or designing the software to create the menus, but merely claim the resulting systems. In the determination of whether the claims are directed to an abstract idea, the Federal Circuit also held that the claims are not directed to a specific improvement in the way the computers operate.

Next, the Federal Circuit agreed with the PTAB's conclusion that the claimed elements do not transform the claimed abstract idea into a patent-eligible application of the abstract idea. The specifications of the patents state that "the discrete programming steps are commonly known." For at least this reason, the Federal Circuit agreed that the claims merely add conventional computer components, such as a central processing unit, storage device and operating system, to well-known business practices.

On the issue of whether dependent claims of one of the three patents were patentable, the Federal Circuit reversed the PTAB decision. Dependent claims 3 and 11 of the patent require that the second menu, after being modified, can be linked to a specific customer at a specific table. Dependent claims 6-9 and 13-16 of the patent require handwriting and voice recognition and conversion to text. The Federal Circuit concluded that the dependent claims 3 and 11 were directed to manual tasks that cannot be rendered patent eligible by merely performing them on a computer. Regarding dependent claims 6-9 and 13-16, the Federal Circuit concluded that the claims were directed to known technologies. Accordingly, the Federal Circuit held that appending manual tasks or known technologies to unpatentable independent claims does not render the dependent claims patentable.