

SECURE AXCESS, LLC v. PNC BANK NATIONAL ASSOCIATION, Appeal No. 2016-1353 (Fed. Cir. February 21, 2017). Before Judges Lourie, Plager, and Taranto. Appealed from the PTAB.

Background:

PNC Bank petitioned for a Covered Business Method (CBM) Review of Secure Access's patent. The Board granted PNC's request, ruling that the patent at issue was a CBM patent. In its final written decision, the Board maintained its initial CBM determination and ruled that the claims were unpatentable on obviousness grounds.

Secure Access's patent relates to systems and methods for authenticating a webpage. The specification of the patent contains multiple references to financial activities. Based in part on these references, the Board classified the patent as a CBM patent. The Board reasoned that since the patent's specification was directed to solving problems related to providing a website to customers of financial institutions, CBM Review under the AIA was justified.

Secure Access appealed.

Issue/Holding:

Did the Board err in ruling that the patent at issue is a Covered Business Method patent subject to review under § 18 of the AIA? Yes, reversed and vacated.

Discussion:

The AIA defines a CBM patent as "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." §18(d)(1).

The Federal Circuit held that for a patent to qualify as a CBM patent, the claims must be directed to "a method or corresponding apparatus for performing data processing" that is "used in the practice, administration, or management of a financial product or service." Additionally, it held that in order for a patent to be eligible for CBM review, its claims must contain a "financial activity element." The Federal Circuit rejected the Board's reasoning that Secure Access's patent qualified as a CBM patent because its claims were directed to activities that are "financial in nature, incidental to a financial activity, or complementary to a financial activity," noting that such an interpretation improperly broadens the statutory definition of a CBM patent and could have unintended consequences. The Federal Circuit reversed the Board's CBM patent decision and vacated the Board's claim construction and obviousness determinations.

Judge Lourie dissented, stating that the Board's statutory interpretation was appropriate.