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Justices Asked Yet Again To Clarify Alice In \$4M US Bank Suit

By [Tiffany Hu](#)

Law360 (February 19, 2020, 3:41 PM EST) -- Solutran Inc. is asking the U.S. Supreme Court to reinstate a \$4 million infringement win against [U.S. Bank](#) over a checking system patent, arguing the Federal Circuit improperly analyzed only one element of the patent to find it covered an abstract idea under the high court's Alice test.

In a Feb. 12 certiorari petition, Solutran said the Federal Circuit erred in [reversing the jury's infringement verdict](#) and finding its patent invalid under the high court's [Alice v. CLS Bank](#) ruling, which holds that abstract ideas implemented using a computer aren't eligible for patent protection without an additional inventive concept.

The petition argues that the Federal Circuit failed to look at the claims as a whole, instead zeroing in on a "broadly stated business method underlying one of the claim's elements" to find the patent abstract. This application of the Alice test leaves courts and inventors "hopelessly confused" over what can be patentable, Solutran said.

"By ignoring the claim as a whole and the physical nature of what the inventors actually identified as their improvement over the prior art, and instead citing an associated business goal as the claim's focus, the Federal Circuit's decision effectively renders all business methods unpatentable no matter how physical their process improvements are," it wrote.

Solutran urged the justices to take up its appeal, saying that the case was an "ideal vehicle" to clarify how to analyze claims to determine whether they were abstract under Alice. If the appeals court's decision is left in place, it would additionally ban all business method patents and "radically change patent law," according to the petition.

Counsel for Solutran did not immediately respond to a request for comment Wednesday.

The patent at issue covers a method in which data from a paper check is captured at a point of sale while an image of the check is retained at another location so that the image and the data can later be matched, according to court documents.

The Patent Trial and Appeal Board in 2014 refused to institute a covered business method review of the patent on the grounds that it was a patent-ineligible abstract idea after finding there was "nothing immediately apparent about this basic, core concept" of processing paper checks that indicated such an idea. The board had reviewed the patent on obviousness grounds, however, and upheld the validity of the challenged claims in 2015, according to filings.

After a 10-day trial in March 2018, a Minnesota federal jury found U.S. Bank failed to prove that Solutran's patent was invalid and handed down a [\\$3.3 million verdict](#). U.S. District Judge Susan Richard Nelson, who during summary judgment had also said [the patent held up](#) under Alice, increased the award to \$4.2 million.

When reversing that decision, the Federal Circuit panel said in July the patent is directed to the abstract idea of "crediting a merchant's account as early as possible while electronically processing a check."

In its request for rehearing, Solutran argued that the Federal Circuit missed the mark on whether the patent is abstract, and therefore patent-ineligible under Alice, because it misunderstood the advances described in the patent.

The inventors never said crediting a merchant's account quickly was the improvement over prior art, as concluded by the panel, Solutran said. Instead, the advantage was having funds be available right away, but also having a third-party payment processor take care of tasks related to imaging and destroying paper checks.

That outsourcing saves money and reduces risk, the company added in its rehearing bid. But the full Federal Circuit in October [refused to reconsider the panel ruling](#), prompting Solutran to file its petition for certiorari at the Supreme Court.

The patent-in-suit is U.S. Patent No. [8.311,945](#).

Solutran is represented by Robert J. Gilbertson, David J. Wallace-Jackson, Sybil L. Dunlop, Katherine M. Swenson and Caitlinrose H. Fisher of [Greene Espel PLLP](#)

Counsel for U.S. Bank was not immediately available Wednesday.

The case is Solutran Inc. v. [Elavon Inc.](#) et al., case number [19-1017](#), before the [Supreme Court of the United States](#).

--Editing by Adam LoBelia.