

Fed. Circ. Skeptical Becton Dickinson Patent Survives Alice

By Michael Macagnone

Law360, Washington (May 4, 2016, 6:30 PM ET) -- The Federal Circuit expressed skepticism Wednesday that a Becton Dickinson and Co. remote pharmacy-monitoring patent nixed for failing the Alice test could possibly be valid, saying the invention seemed to claim nothing beyond a combination of off-the-shelf technology to monitor drug-compounding.

At a hearing Wednesday, U.S. Circuit Judge Todd M. Hughes and two other panel members urged BD to point to a specific part of its patent that improved on the existing practice of monitoring pharmaceutical work beyond putting the practice on a computer. A Texas federal judge had invalidated the patent under the U.S. Supreme Court's landmark Alice decision, which held abstract ideas implemented using a computer are not patent-eligible under Patent Act Section 101.



(Credit: Law360)

The company said at the hearing that the patent did not computerize the common concept of “supervision and verification” required for pharmaceutical work, and covered a novel combination of technology that allowed for remote monitoring of pharmaceutical work.

But Judge Hughes pushed back on that idea, questioning whether BD could prove its invention went beyond automating the supervisory functions that pharmacists already perform, with the company's failure to do so spelling doom at the trial court.

“You can have a number of things that are innovative and useful and make a lot of money but that are not patentable because they merely computerize a normal business process,” Judge Hughes said.

Arguing on behalf of BD, Daniel H. Brean of The Webb Law Firm said the patent should be taken as a whole, with its novel use of existing hardware and use of customized verification software directed to a new area of remote pharmaceutical monitoring, rather than as the abstract idea of “supervision and verification” that the district court found. Brean said that although the company did not purport to invent any individual piece, the conglomeration shows the inventive concept that allows for a new field of remote monitoring of pharmaceutical work.

“We submit that we should not have to reinvent a computer to have a use of a computer that is patentable,” Brean said.

Judge Hughes also questioned the interpretation of combining conventional computer parts to form a patentable whole. He repeatedly asked BD to point to a part of its patent that invented something outside of conventional uses for computers, and asked how the court could understand that the patent went beyond that abstract concept.

“You keep saying ‘entirely new infrastructure,’ but it is entirely conventional pieces,” Judge Hughes said.

U.S. Circuit Judge Richard G. Taranto also expressed skepticism about the “customized verification software” that BD argued should allow its patent to survive, as the terms of the patent did not seem to claim to have invented the verification software and the description of its use “sure reads to me as pointing to something old.”

Baxter International Inc., which BD had sued for alleged infringement, argued that the appeals court should preserve U.S. District Judge Lee Yeakel's August summary judgment order, which ended roughly a year of litigation in the case.

Morgan Lewis & Bockius LLP's Michael J. Abernathy, counsel for Baxter, said that even BD's supposedly novel verification software was off-the-shelf video conferencing software, and that just customizing it to work with their system should not let the patent survive.

“The fact that this software is custom or customized gets us nowhere in terms of Alice,” Abernathy said.

The patent-in-suit is U.S. Patent Number 8,374,887.

U.S. Circuit Judges Richard G. Taranto, Alvin A. Schall and Todd M. Hughes sat on the panel for the Federal Circuit.

BD is represented by Kent E. Baldauf, Jr., Daniel H. Brean, Christian D. Ehret, Brian J. Jackson, Kirk M. Miles and Ryan Miller of the Webb Law Firm.

Baxter is represented by Michael J. Abernathy and Sanjay K. Murthy of Morgan Lewis & Bockius LLP, Kacy Dicke, Christina Noel Goodrich and David Andrew Simons of K&L Gates LLP, and in-house counsels Michael Ira Cohen and Austin Joseph Foley.

The case is Becton Dickinson and Co. v. Baxter International Inc., case number 15-1918, in the U.S. Court of Appeals for the Federal Circuit.

--Editing by Edrienne Su. Photo by Jimmy Hoover.

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