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Federal Circuit finds software patent for 3D animation technique patent eligible

McRO v. Bandai Namco Games America is the latest in a line of Federal Circuit cases to reverse a district court finding of patent ineligibility for software patents. See Bascom v. AT&T Mobility (2016) and Enfish v. Microsoft (2016). In doing so, the *McRO* decision provides additional clarity on the question of whether a computer implemented invention will be patent eligible. In particular, significant factors in the court's decision included the specificity of the claimed rules used to create the animations, and the fact that, while the claims were directed to automation of a previously manually-performed task, they recited a new process by which to perform that task. This and other insights from *McRO* are providing increasing clarity around the eligibility of software and other data-oriented innovations.

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The subject matter eligibility of software patents has been under a spotlight since the Supreme Court's *Mayo* and *Alice* decisions. There, the Supreme Court set out a two-part framework for subject matter eligibility under 35 U.S.C. § 101. Under the first prong, patent claims are analyzed in view of the patent's specification to determine whether the character of the claims as a whole is directed to an abstract idea or other patent-ineligible concept. If so, the claims are subject matter ineligible unless the claims contain an "inventive concept" that transforms the claims into something significantly more than an abstract idea.

The claims at issue in *McRO* related to a specific process for automating the animation of lip movements of 3D characters. The district court ultimately found that the claims at issue were drawn to nothing significantly more than an abstract idea of using automated rules for lip-synchronized 3D animation. On appeal, however, the Federal Circuit found the district court's analysis to have oversimplified the claims. The Federal Circuit noted that under the *Alice* framework, "a court must look to the claims as an ordered combination, without ignoring the requirements of the individual steps" and further cautioned against "oversimplifying the claims by looking at them generally and failing to account for the specific requirements of the claims." On this basis, the court identified specific, "meaningful requirements" in the claimed rules that describe particular

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techniques for 3D animation.

With the analysis tuned to the specific requirements of the claims, the court analyzed whether the claims merely used a computer as a tool to automate a conventional activity. This analysis included looking to the specification to determine whether the "the process previously used [in the art] is the same as the process required by the claims." Ultimately, the court found that while the claimed invention automated a *task* previously performed by humans, the specific *process* by which the invention accomplished the task was distinct from how humans would perform it. While such discussions of conventional activities had normally been reserved for part two of the *Alice* framework, the court used it as a basis for finding the claimed subject matter eligible under part one of the framework – that the claims as a whole were not directed toward an abstract idea. Indeed, the court "[did] not reach *Alice* step two" to determine subject matter eligibility. The court therefore did not need to consider whether the claims contained "significantly more" than the abstract idea.

In finding that the claims did not automate a conventional process, the court concluded that the specifically claimed process would not preempt "all processes for achieving automated lip-synchronization of 3D characters." While the court acknowledged that the absence of complete preemption does not demonstrate patent eligibility, the court noted that the specifically claimed invention would prevent broad preemption of all rules-based processes for automating lip synchronization.

Having found the claims limited to a specific process for animating characters using particular information and techniques that did not preempt other rules-based approaches, the court held that the claims were subject matter eligible for being directed to patentable technological improvements over existing manual 3D animation techniques.

Ultimately, the *McRO* decision is part of a growing collection of Federal Circuit cases now finding software inventions to be eligible for patent protection.