

Fed. Circ. Axes Philips Heart Monitor Patent Under Alice

By Ryan Davis

Law360 (October 29, 2021, 7:33 PM EDT) -- The Federal Circuit ruled Friday that another heart monitor patent that Philips unit CardioNet accused InfoBionic of infringing is invalid for claiming only an abstract idea, holding that a lower court wrongly found that the invention was patent-eligible because it is tied to a machine.

Five other patents in the case have previously been found invalid, and the appeals court held that CardioNet's claimed invention in the sixth, a method of improving the accuracy of cardiac monitors, covers nothing more than the abstract idea of filtering data. That makes it ineligible for patenting under the U.S. Supreme Court's 2014 Alice ruling, the Federal Circuit said.

"At bottom, filtering the data requires only basic mathematical calculations," it held. "And such calculations, even if 'groundbreaking,' are still directed to an abstract idea."

Judge Indira Talwani of the District of Massachusetts ruled last year that CardioNet's claimed invention is directed to an abstract idea but found that it is patent-eligible because it is tied to a machine. That is wrong, the Federal Circuit ruled.

The district judge cited the so-called "machine-or-transformation test," which holds that an invention may be patent-eligible if it is tied to a particular machine or transforms an article from one state to another. But the Federal Circuit pointed out that the Supreme Court's 2010 Bilski ruling held that the test is only a clue to eligibility and is not dispositive.

While CardioNet's invention "is technically tied to a machine (a cardiac apparatus) its ultimate focus" is the abstract idea of filtering cardiac wave data, so it is invalid, the appeals court held.

While Judge Talwani found that CardioNet's patent was not invalid, she found that InfoBionic did not infringe. The Federal Circuit vacated that finding, holding that infringement is moot because the judge should have invalidated the patent. It remanded the case so judgment can be entered for InfoBionic.

CardioNet, whose parent company BioTelemetry was acquired by Philips for \$2.8 billion earlier this year, filed suit in 2015, alleging that InfoBionic's MoMe Kardia system infringes. With Friday's ruling, the Federal Circuit has now held that six patents at issue in the case are invalid.

The appeals court upheld Judge Talwani's Alice invalidation of two other patents last year, coincidentally on the same day she unsealed the decision at issue in Friday's ruling. Three other patents were invalidated as obvious in inter partes review decisions by the Patent Trial and Appeal Board that were not appealed or the

Federal Circuit upheld. There are ongoing proceedings in Massachusetts on a seventh patent, which InfoBionic alleges is also invalid under Alice.

According to the ruling, cardiac monitors measure heart activity by measuring different waves. The claimed invention covers a way to filter out certain types of waves, known as T waves, that can cause inaccurate heart rate readings.

The Federal Circuit said doing that requires only a simple mathematical function performed by a general purpose computer, so it amounts to a patent-ineligible abstract idea. CardioNet claimed its patented filtering method was innovative, but even accepting that argument, "a claim for a new abstract idea, here, a mathematical calculation, is still an abstract idea," the court said.

That is true even though the mathematical functions involved cannot be performed by the human mind, because such complexity "does not alone confer patentability," the Federal Circuit ruled.

Being tied to a machine cannot save the patent, the court said: "To the extent that formulating a claim in the form of an apparatus insulates it from an ineligibility attack if it only recites conventional components for performing an abstract idea, the Supreme Court has closed that door, at least for now."

Charles Sanders of Latham & Watkins LLP, an attorney for InfoBionic, said Friday that the next step in the case is for Judge Talwani to address the company's motion alleging that CardioNet should have to pay InfoBionic's attorney fees.

"We're very pleased that the Federal Circuit has confirmed a sixth CardioNet patent is invalid," he said. "The district court will now be able to address whether CardioNet's conduct in taking different positions for infringement and invalidity, thereby prolonging the litigation to drive up legal fees, has been exceptional and, in that case, the district court can award attorneys' fees to InfoBionic."

The Federal Circuit decision alluded to that situation, noting that CardioNet characterized the patent differently when it was arguing that it was eligible than it did when arguing that InfoBionic infringed. Judge Talwani "strongly hinted" that if the company had made the same argument both times, she would have considered invalidating the patent, the appeals court noted.

Counsel for CardioNet could not immediately be reached for comment Friday.

The patent-at-issue is U.S. Patent No. 7,099,715.

Judges Alan Lourie, Timothy Dyk and Kathleen O'Malley sat on the panel for the Federal Circuit.

CardioNet is represented by Frank DeCosta and Aliza Carrano of Finnegan Henderson Farabow Garrett & Dunner LLP.

InfoBionic is represented by Charles Sanders, Christopher Henry, Gabriel Bell, Diane Ghrist and Maximilian Grant of Latham & Watkins LLP.

The case is CardioNet v. InfoBionic, case number 2020-2123, in the U.S. Court of Appeals for the Federal Circuit.

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