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Energy Management Patent Triggers a Covered Business Method Review

By Michael V. Messinger and Lestin Kenton

Faced with a patent threat, renewable energy and climate change companies may have a new defense option – a Covered Business Method (CBM) proceeding. Ushered in less than 2 years ago as part of comprehensive patent reform legislation called the America Invents Act, a CBM review provides a timely, lower-cost alternative to District Court litigation for defendants to test whether a patent remains patentable before paying royalties.

Mindful of needs in the financial services industry, Congress provided eligibility criteria to initiate CBM review. In this way, a company had to first show the patent met a financial prong – in that it claimed activities incidental or complementary to a financial activity. As a result many felt their respective industries were exempt from CBM proceedings.

This week, in a case brought by Opower Inc., judges at the Patent Trial and Appeal Board (PTAB) instituted CBM review of an energy management patent now owned by CleanTech Business Solutions, LLC.¹ See, [CBM2014-00155](#). In so doing the judges acknowledged that a patent where an energy resource was a “valuable resource” exchanged for currency or other item of value met the financial prong of the test for CBM eligibility.

Institution demonstrates that certain energy patents are susceptible to CBM-proceedings when the patent claims in question are broad enough to encompass activities used in the practice, administration, or management of a financial product or service. Here, even though the patent was related to generating an energy resource and this proceeding was assigned to Tech Center 2100 which has a CBM institution rate below average, the breadth of the claims seem to have made the '245 patent susceptible to CBM review. (Tech Center 2100 has a CBM-institution rate of 65%, compared to the average CBM-institution rate of about 75%.)

Institution now begins the next phase of a tightly run CBM proceeding where CleanTech Business Solutions will have the ability to respond to the PTAB's initial determination that the claims of the '245 patent were directed to non-statutory subject matter, indefinite, and/or obvious. The entire proceeding can last a year from institution with a final written decision expected by early 2016.

About the Authors

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¹ [Opower Inc.](#), provides solutions for household energy conservation by helping consumers lower their energy use and costs. [CleanTech Business Solutions, LLC](#), the owner of the '245 patent, provides management consultant services to technology companies in the cleantech, computer, semiconductor and networking industries.

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