

NEWS RELEASES

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Husch Blackwell Wins Patent Dispute over Mortgage Loan Application Technology

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Husch Blackwell successfully defended client Meridianlink, Inc. against a claim of patent infringement brought by Mortgage Application Technologies, LLC (MAT) in the U.S. District Court for the Central District of California. The court granted Meridianlink’s motion for judgment on the pleadings, finding MAT’s asserted patent to be invalid and dismissing the matter without leave to amend.

The dispute involved a patent issued to MAT in 2013 that relates to online mortgage loan origination services, and MAT argued that Meridianlink had infringed the patent by offering its competitive automated loan origination service. MAT filed its lawsuit in January 2019.

Led by Rudy Telscher, Kara Fussner, and Steve Howe, the Husch Blackwell team mounted an invalidity defense that relied on the abstract-idea exception to 35 U.S.C. § 101 that was articulated by the U.S. Supreme Court in *Alice Corp v CLS Bank* in 2014. The *Alice* decision set forth a two-part test that patents have to pass to survive an invalidity challenge and raised the legal standard by which patents could be directed toward concepts generally thought to be ineligible for patent protection, such as laws of nature, natural phenomena, and abstract ideas.

Ultimately, the court determined that MAT’s patent was not directed to patent-eligible concepts, holding that its claims “do not speak to any improvement in technological functioning” and that they merely “recite steps that can all be performed in the human mind.” Additionally, the court agreed with the Husch Blackwell team’s argument that the claims “both individually and in combination, do not add anything ‘significantly more’ to the abstract concept itself,” and thus fail to pass the crucial second step of the *Alice* test.

“Since the Supreme Court devised its *Alice* test, our team has used it successfully to invalidate bad patents,” said Telscher. “This case is the latest example of why defendants in patent litigation need to understand the strengths and weaknesses of the asserted patents. Some patents, like MAT’s ‘902 patent, should have never been issued because they attempt to cover the use of generic computer concepts to automate an age-old practice – here, the loan origination process.”

The victory on behalf of Meridianlink represents the third time in the last couple of years that Telscher has led a trial team to victory on *Alice* grounds.

The Husch Blackwell team also included partner Daisy Manning and paralegals Lauren Hitchens and Anna Florian.