

Identifying Information

Name:	La Belle, Megan
School:	Catholic University

Paper Information

Title:	Fintech: The Next Frontier in the Patent Wars?
Abstract:	<p>Historically, financial institutions have relied on trade secrets and first-mover advantages, rather than patents, to protect their inventions. For the few financial patents that were issued, conventional wisdom was that they weren't terribly interesting or important. In our 2014 study on financial patents, Heidi Schooner and I showed that banks were breaking from past patterns and increasingly seeking patent protection. We explained that financial institutions were primarily building their patent portfolios as a defensive measure--i.e., to protect themselves from infringement suits. Indeed, the finance industry successfully lobbied Congress to include provisions in the America Invents Act of 2011 that made it easier to invalidate financial patents through administrative review. Yet, two significant developments call for a revisit of our 2014 study: the rise of fintech and the filing of the first bank-on-bank patent suit (USAA v. Wells Fargo) earlier this year. This paper explores how the rise of fintech has changed the purpose of patenting among banks, and what that might mean for the future of both the financial and patent systems in this country.</p>