

IP Alert: The USPTO Announces Additional Guidelines for Determining Subject Matter Eligibility Under 35 U.S.C. § 101



THE USPTO ANNOUNCES ADDITIONAL GUIDELINES FOR DETERMINING SUBJECT MATTER ELIGIBILITY UNDER 35 U.S.C. § 101

By Brian J. Emfinger

On July 30, 2015, the United States Patent and Trademark Office issued additional guidelines for use by USPTO personnel in determining subject matter eligibility under 35 U.S.C. § 101. These additional guidelines follow the public comments provided in response to the 2014 Interim Patent Eligibility Guidance the USPTO issued in December 2014 (the 2014 Interim Guidance).

The July 2015 Update on Subject Matter Eligibility (the July 2015 Update) and accompanying materials offer much for practitioners to consider in preparing responses to subject matter rejections under § 101. Rather than provide an in-depth discussion of the various analyses and explanations included therein, this alert provides a summary of the new materials and highlights relevant clarifications to the subject matter eligibility analysis.

The USPTO is again accepting public comments on these new guidelines until October 28, 2015, which commenters may email to 2014_interim_guidance@uspto.gov.

Overview

The July 2015 Update responds to various themes of the public comments received including:

- requests for additional examples of claims directed to abstract ideas and laws of nature,
- further explanation of the markedly different characteristics (MDC) analysis,

- further explanation with respect to how examiners identify abstract ideas,
- clarification of the requirements of a prima facie case of unpatentability under § 101 and the role of evidence in subject matter rejections, and
- clarification of the role of preemption and the streamlined analysis in the subject matter eligibility analysis.

The USPTO also issued three appendices as well as a quick reference sheet to supplement the July 2015 Update.¹

Additional Examples of Claims Directed to Abstract Ideas and Laws of Nature

The additional examples included in the July 2015 Update supplement the previous examples the USPTO has provided and provide further explanations for determining whether a claim recites “significantly more” than a judicial exception.

The July 2015 Update includes seven additional examples that are generally directed to business methods, graphical user interfaces, and software.

In view of recent judicial developments, the USPTO is currently working on further examples related to the fields of biotechnology and diagnostic methods as well as methods directed to laws of nature and natural phenomena.

Each of the seven examples included in Appendix 1, provide sample claim language and corresponding explanations for determining whether a claim recites significantly more than a judicial exception.

The examples, numbered 21–27, include claims directed to:

- the transmission of stock quote data,
- a graphical user interface for meal planning,
- a graphical user interface for relocating obscured textual information,
- updating alarm limits,
- rubber manufacturing, and
- an internal combustion engine.

Practitioners will likely find the explanations that accompany these examples useful for analogizing or distinguishing their own claims.

One particularly relevant point emphasized that, even if a claim element recites a generic computer component performing a generic computer function, that claim element can amount to significantly more than a judicial exception when considered in combination with the other elements of the claim.

The USPTO also confirmed that the requirement to consider claim elements both individually and in combination is a vital part of determining whether a claim, as a whole, amounts to significantly more than a judicial exception.

Markedly Different Characteristics Analysis

Practitioners may recall from the 2014 Interim Guidance that the MDC analysis seeks to determine whether a claim reciting a nature-based product limitation is directed to a judicial exception, e.g., a “product of nature.”

As explained in the 2014 Interim Guidance, a claim reciting a nature-based product limitation recites the judicial exception of a “product of nature” when that limitation “does not exhibit markedly different characteristics from its naturally occurring counterpart in its natural state.”

In response to requests for clarification regarding the MDC analysis, the UPSTO clarified that examiners should employ the MDC analysis to determine whether a claim is directed to a judicial exception. Accordingly the USPTO confirmed that Step 2A of the two-part Mayo test should include an MDC analysis for claims reciting a nature-based product limitation.

By retaining the MDC analysis in Step 2A, examiners should conclude that claims recite patent-eligible subject matter as soon as it is determined that any nature-based product recited in those claims have markedly different characteristics from any naturally occurring products.

Practitioners can find detailed explanations as to when nature-based products have markedly different characteristics in the Nature Based Product Examples the USPTO provided in conjunction with the 2014 Interim Guidance.

Identifying Abstract Ideas

The July 2015 Update again acknowledges that the courts have not provided a clear definition of “abstract idea.” Accordingly the July 2015 Update reiterates the instruction from the 2014 Interim Guidance to determine whether a claim is directed to an abstract idea by way of comparison to concepts courts have already found to be abstract.

Notably, the July 2015 Update goes even further by indicating that examiners should not conclude a claimed concept is abstract **unless** it is similar to at least one concept that courts have previously identified as an abstract idea.

On the other hand, the July 2015 Update notes that novelty alone cannot save a claim directed to a judicial exception—noting that both old, long-prevalent concepts as well as new concepts and discoveries may be directed to judicial exceptions, e.g., abstract ideas, laws of nature, or products of nature.

The July 2015 Quick Reference Sheet includes a listing of those concepts courts have identified to be abstract ideas, which fall into one of four categories: “fundamental economic practices,” “certain methods of organizing human activity,” “an idea ‘of itself,’” and “mathematical relationships/formulas.” The July 2015 Update clarifies what each of these categories is intended to include.

“Fundamental economic practices” refer to the economy and commerce and include agreements in the form of contracts, legal obligations, and business relations. In addition, the July 2015 Update clarifies that the term “fundamental” does not necessarily refer to what is old or well-known but rather what is foundational or basic.

“Certain methods of organizing human activity” refer to inter- and intra-personal activities and include managing relationships or transactions between people; social activities; human behavior; satisfying or avoiding legal obligations; advertising, marketing, or sales activities; and managing human mental activity.

“An idea ‘of itself’” refers to ideas that stand alone such as uninstantiated concepts, plans, and schemes as well as processes that could be performed in the human mind or with pen and paper.

“Mathematical relationships/formulas” were noted to also include mathematical algorithms and calculations.

The July 2015 Update also clarifies the requirements for establishing a prima facie case of unpatentability on the basis of patent-ineligible subject matter.

In order to establish a prima facie case of unpatentability, an examiner must provide the applicant sufficient notice to be able to effectively respond by:

- identifying the judicial exception recited in the claim and explaining why it is considered an exception, and
- identifying any additional elements recited in the claim and explaining why those elements do not amount to significantly more than the exception identified.

The examiner's rationale may be based on knowledge generally available to those skilled in the art, case law precedent, the applicant's own disclosure, and evidence. Accordingly the USPTO appears to suggest that an examiner's rationale is not required to be based on evidence.

With respect to the role of evidence in determining subject matter eligibility, the July 2015 Update notes that courts consider this determination to be a question of law, which limits evidentiary review to the record created during prosecution. For this reason—at least according to the USPTO—any documents the Supreme Court considered in reaching its decisions in *Bilski* and *Alice* do not qualify as evidence.

Regarding computer-implemented innovations, the July 2015 Update also clarifies how examiners should determine whether claims qualify as significantly more than a judicial exception. Practitioners may again recall that the 2014 Interim Guidance indicated that claims do not qualify as significantly more than a judicial exception when those claims are deemed to require no more than a generic computer performing well-understood, routine, and conventional functions.

Like abstract ideas, the July 2015 Update instructs examiners to rely on the computer functions the courts have recognized as well-understood, routine, and conventional, which include:

- performing repetitive calculations,
- receiving, processing, and storing data,
- electronically scanning or extracting data from a physical document,
- electronic record keeping,
- automating mental tasks, and
- receiving or transmitting data over a network such as the Internet.

Of particular note for practitioners, the July 2015 Update acknowledges that not all computer functions are well-understood, routine, and conventional. Even more notable perhaps, is the acknowledgement that a claim reciting a generic computer component performing a generic computer function is not necessarily patent ineligible. Claims that recite generic computer components which, in combination, are able to perform non-generic functions can amount to significantly more than an abstract idea and thus qualify as patent-eligible subject matter.

With respect to the role of evidence in determining whether any additional elements recited in the claim are well-understood, routine, and conventional, the USPTO again appears to suggest that evidence is not needed to support an examiner's determinations. Instead the USPTO deems such determinations to be appropriate for judicial notice. The

July 2015 Update cautions examiners, however, from rejecting claims based on official notice unless they can readily conclude, relying on their expertise, that the additional elements recited in a claim do not amount to significantly more than the judicial exception.

The Role of Preemption and the Streamlined Analysis

The July 2015 Update confirms that the streamlined eligibility analysis will be retained as part of the subject matter eligibility analysis. Practitioners will recall that the streamlined eligibility analysis provides the opportunity to avoid the full two-step Mayo test where the subject matter eligibility of a claim is self-evident.

Notably, however, the USPTO appears to foreclose the argument that a claim recites patent-eligible subject matter where that claim does not preempt all possible implementations of a judicial exception. In other words, a complete absence of preemption does not guarantee a claim recites patent-eligible subject matter.

Useful Links

[Federal Register Notice: July 2015 Update on Subject Matter Eligibility](#)

[July 2015 Update: Subject Matter Eligibility](#)

[July 2015 Update Appendix 1: Examples](#)

[July 2015 Update Appendix 2: Index of Eligibility Examples](#)

[July 2015 Update Appendix 3: Subject Matter Eligibility Court Decisions](#)

[July 2015 Update: Interim Eligibility Guidance Quick Reference Sheet](#)

[Federal Register Notice: 2014 Interim Guidance on Patent Subject Matter Eligibility](#)

[2014 Interim Eligibility Guidance Quick Reference Sheet](#)

[Nature-Based Product Examples](#)

[Abstract Idea Examples](#)

Please click [here](#) to download a printable version of this article.

¹The July 2015 Update Appendix 1: Examples (Appendix 1) provides additional examples of claims that would be eligible or ineligible under the familiar two-step Mayo test for subject matter eligibility along with corresponding explanations.

The July 2015 Update Appendix 2: Index of Eligibility Examples (Appendix 2) provides a comprehensive listing of all examples the USPTO has provided to date along with the conclusions for each step of the subject matter eligibility analysis.

The July 2015 Update Appendix 3: Subject Matter Eligibility Court Decisions (Appendix 3) provides a listing of selected Supreme Court and Federal Circuit decisions addressing subject matter eligibility and an indication of whether the claims at issue were deemed to recite eligible or ineligible subject matter.

The July 2015 Update: Interim Guidance Quick Reference Sheet (July 2015 Quick Reference Sheet) summarizes the information in the July 2015 Update and provides categorized listings of the concepts courts have deemed to be abstract ideas.

Posted: August 13, 2015