How Fed. Circ. Shaped Subject Matter Eligibility In 2025

By **Reilley Keane** (December 5, 2025)

It's been a little over 10 years since the landmark U.S. Supreme Court decision in Alice Corp. v. CLS Bank International published in 2014, laying out a two-step analysis for determining whether a patent claim recites eligible subject matter under Title 35 of the U.S. Code, Section 101.[1]

First, a determination is made whether the claim is directed to an abstract idea — a mathematical concept, method of organizing human activity, or mental process.[2] If the claim is not directed to an abstract idea, the analysis stops there, and the claim is rendered eligible.[3]

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Otherwise, if the claim is directed to an abstract idea, the analysis proceeds to Step 2.[4] Step 1 comprises determining whether the claim includes elements that amount to significantly more than the abstract idea itself.[5] If so, the claim is eligible; if not, the claim is ineligible.[6]

While this test provides a basic framework for determining patent eligibility, the courts have wrestled with its interpretation. The U.S. Court of Appeals for the Federal Circuit has issued a number of decisions that clarify their interpretation, shedding light on techniques for drafting and prosecuting patent applications to withstand or circumvent patent eligibility challenges.[7]

John Squires was recently confirmed to lead the U.S. Patent and Trademark Office, and his initial actions signal a pro-patent stance, particularly with regard to the eligibility of artificial intelligence and other software inventions.[8]

In light of this policy shift at the USPTO, it remains important for practitioners to understand the relevant Federal Circuit case law. By combining takeaways from application of Section 101 at both the USPTO and the Federal Circuit, attorneys may produce and prosecute robust applications, arguments and amendments to withstand subject matter eligibility scrutiny in both venues.

This article provides details of the most impactful patent eligibility decisions of 2025 from the Federal Circuit, along with a toolbox of corresponding takeaways.

Recentive Analytics v. Fox Corp.

In an appeal from the U.S. District Court for the District of Delaware, the Federal Circuit considered the question of patent eligibility for four of Recentive's patents directed to the use of machine learning to generate network maps and schedules for TV broadcasts and live events.

These patents were divided into two groups — machine learning training patents and network map patents — each having a representative claim for consideration.[9]

In their analysis, the district court concluded that both sets of claims were directed to the abstract ideas of producing network maps and event schedules, respectively, using generic

mathematical techniques, and furthermore that nothing in the claims amounted to significantly more than these abstract ideas themselves.[10]

The Federal Circuit began with an analysis at Step 1 of the Alice test to discern whether the claims were directed to an abstract idea.[11] They noted that, in the context of machine learning applications, this step includes analyzing whether the claims "focus on 'the specific asserted improvement in computer capabilities ... or, instead, on a process that qualifies as an abstract idea for which computers are invoked merely as a tool.'"[12]

The Federal Circuit agreed with the district court — both sets of patents merely used conventional machine learning techniques to generate event schedules and network maps.[13] Furthermore, they found that the claims lacked any discussion of how the claimed machine learning technology achieves an improvement, and instead only described the use of machine learning in a new environment.[14]

At Step 2, the Federal Circuit further agreed with the district court, finding that nothing in the claims transformed either of the representative patent claims into something significantly more than generating event schedules and network maps through the application of machine learning techniques — the alleged abstract idea.[15] Thus, they affirmed the district court decision that both sets of patents were directed to an abstract idea.[16]

While on its face, the holding appears to doom patents related to artificial intelligence and machine learning, a closer look shows that strategic drafting remains an effective tool for circumventing subject matter eligibility challenges in machine learning cases.

Indeed, the conclusion of the opinion even notes that "[m]achine learning is a burgeoning and increasingly important field and may lead to patent-eligible improvements."[17]

This case emphasizes the importance of going beyond the mere application of generic machine learning to new environments and contexts. In applications related to artificial intelligence or machine learning, practitioners should focus on careful claim drafting that discloses improvements to the models themselves, or the use of the model to achieve a technical improvement in a given field.

Rideshare Displays Inc. v. Lyft

In this case, Rideshare appealed five decisions from the Patent Trial and Appeal Board, each of which deemed a respective patent, directed to vehicle identification, unpatentable for obviousness.[18] Lyft cross-appealed the board's partial grant of Rideshare's motion to amend claims in several of the patents at issue.[19]

The patents at issue were directed to vehicle identification using rideshare apps — in particular, allowing users of the apps to verify that they are getting into the correct cars, and for drivers to verify they are picking up the correct riders.[20] For example, the driver's device, such as a smartphone, receives a notification that triggers an indicator visible to the rider, or vice versa.[21]

As noted above, the board found all of the patents to be unpatentable for obviousness, and Rideshare submitted a motion to amend.[22] The board allowed several substitute claims, which Lyft cross-appealed on the grounds of subject matter eligibility, among others.[23]

Setting aside the obviousness determination of the primary appeal — the Federal Circuit

affirmed the board's obviousness determination of the original claims — the court focused on the subject matter eligibility challenge in the cross-appeal.[24]

In their analysis, the board found that the substitute claims were directed to an abstract idea — specifically, a method of organizing human activity — at Step 1 of the Alice test, but found the claims eligible at Step 2, concluding they provide a technical solution to a technical problem in the computer and network technology spaces.[25]

In their analysis, the Federal Circuit disagreed with the board, noting that "improving a user's experience while using a computer application is not, without more, sufficient to render the claims directed to an improvement in computer functionality."[26]

Rather, they found that nothing in the claims was directed to an improvement in the mobile device, and instead merely used technology as a tool to streamline ride pickups.[27] Accordingly, the Federal Circuit reversed the board's decision on eligibility of the substitute claims, and reversed the grant of Rideshare's motion to amend.[28]

From a practical standpoint, this decision underscores the court's opinion that improvements to user experience are not always a technical improvement. Practitioners would be wise to discuss how a claimed computer or network operates to achieve a technical advantage, not merely an improvement in what the user perceives.

United Services Automobile Association v. PNC Bank

PNC appealed a grant, by the U.S. District Court for the Eastern District of Texas, of USAA's motion for summary judgement of patent eligibility.[29]

In the opinion, the Federal Circuit limited their discussion to one of the three patents at issue, U.S. Patent No. 10,402,638.[30] The '638 patent was directed to remote check deposit technology, and, in particular, implementing real-time error checking, such as using optical character recognition to read the account number, routing number and check number, and otherwise ensure sufficient quality of the check.[31]

USAA sued PNC for infringement of the asserted patents, and both parties filed cross-motions for summary judgment on the issue of patent eligibility.[32] The district court granted USAA's motion and denied PNC's, ruling that the asserted claims were patent-eligible.[33]

PNC alleged that "instructing the customer to take a photo of check," "using a wireless network" to transmit a copy of the photo, and having the configured system "check for errors," as is recited in the claim, improve check deposit technology by allowing checks to be deposited quickly and remotely without special equipment.[34]

The Federal Circuit disagreed, noting that these are merely routine processes implemented by a mobile device in a conventional way, which is insufficient to render a claim patent-eligible.[35]

In their analysis at Step 1, the Federal Circuit found that the claim recites routine data collection and analysis, including reviewing checks, recognizing relevant data, checking for errors, and storing the result, and that the use of a mobile device to perform these steps does not provide a nonabstract solution.[36]

Furthermore, the court found that the claims lack specificity to provide such a nonabstract

solution, and instead merely provide an improved check deposit process using a handheld device.[37]

Like in its decision in Rideshare, the Federal Circuit found that although the claimed method improves the user experience, it failed to improve the way that the mobile device itself functioned, and thus was directed to an abstract idea.[38]

Because they found the claim directed to an abstract idea at Step 1, the Federal Circuit proceeded to Step 2.[39] In their analysis, they found that because the claims merely recited routine and conventional image capture, text recognition and data processing steps, implemented on a generic hardware device, they failed to provide an inventive concept.[40]

Although the claimed system makes remote check deposit easier and more convenient for customers, the Federal Circuit found that there was no fundamental change to the functionality of the underlying technology.[41]

As a result, the claim was not transformed into a patent-eligible application of the abstract idea.[42] Thus, unlike the district court, the Federal Circuit found the claim was not directed to patent-eligible subject matter, and reversed the district court's grant of summary judgement on patent eligibility.[43]

This provides several key takeaways for patent prosecutors. It emphasizes the high Section 101 risk associated with merely reciting what might be perceived as routine or conventional steps being performed on generic and general-purpose hardware. Where possible, it is paramount to technical improvements in the underlying technology.

Additionally, the court criticized the claims for reciting functional language. Rather, when drafting claims and the specification, practitioners should describe how technology is improved, rather than merely what is done.

Conclusion

Each year, the Federal Circuit sheds new light on the state of subject matter eligibility under Title 35 of the U.S. Code, Section 101. The insights noted above should be considered in patent preparation, as specifications and claims are initially crafted, and prosecution, as amendments and arguments are made, to bolster applications against initial and subsequent eligibility challenges.

While the cases noted above represent keynote decisions over the course of 2025, there are many other decisions on subject matter eligibility, including those from the Federal Circuit and other courts in preceding years, that provide insights into Alice interpretation.[44]

Also, as noted above, under the new leadership of Squires, significant guidance on the eligibility landscape is emerging from the USPTO — in terms of formal guidance, decisions at the PTAB and recent grants.[45]

While the bulk of this article focuses on Federal Circuit precedent, practitioners should review this USPTO guidance in turn. Understanding the interplay between Section 101 interpretation at both the USPTO and the courts is imperative for practitioners preparing and prosecuting patent applications, particularly as the landscape continues to evolve in both arenas.

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[1] See Alice Corp. Pty. Ltd. v. CLS Bank Int'l, 134 S. CT. 2347 (2014); see also Mayo Collaborative Services v. Prometheus Laboratories Inc., 132 S.CT. 1289 (2012).

[2] See id.

[3] See id.

[4] See id.

[5] See id.

[6] See id.

[7] See Alice Analysis: Practical Guidance From a Decade of Eligibility Cases - Part I, Reilley P. Keane, Intellectual Property Law and Technology Journal, vol. 37, no. 2, pp. 1-9 (February 2025); see also, Alice Analysis: Practical Guidance From a Decade of Eligibility Cases - Part II, Reilley P. Keane, Intellectual Property Law and Technology Journal, vol. 37, no. 3, pp. 1-8 (March 2025).

[8] See USPTO Director John A. Squires issues first patents of tenure, https://www.uspto.gov/about-us/news-updates/uspto-director-john-squires-issues-first-patents-tenure (Sept. 24, 2025). See also Ex Parte Desjardins, Appeal 2024-000567, (PTAB 2025), https://www.uspto.gov/sites/default/files/documents/202400567-arp-rehearing-decision-20250926.pdf.

[9] See Recentive Analytics Inc. v. Fox Corp., Case 23-2437 (Fed. Cir. 2025) at pp. 2-3.

[10] See id. at 9.

[11] See id. at 10-16.

[12] See id. at 10.

[13] See id. at 15.

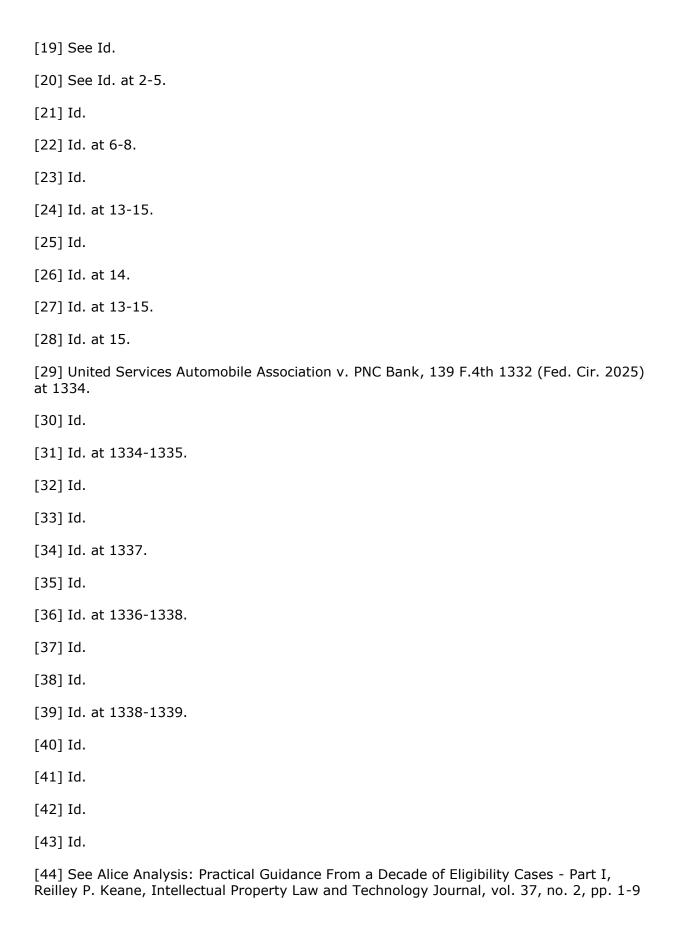[14] See id. at 15.

[15] See Id. at 16-17.

[16] See Id. at 17.

[17] See Id. at 18.

[18] See Rideshare Displays Inc. v. Lyft Inc., Case 23-2033 (Fed. Cir. 2025) at 2.

[19] See Id.

[20] See Id. at 2-5.

[21] Id.

[22] Id. at 6-8.

[23] Id.

[24] Id. at 13-15.

[25] Id.

[26] Id. at 14.

[27] Id. at 13-15.

[28] Id. at 15.

[29] United Services Automobile Association v. PNC Bank, 139 F.4th 1332 (Fed. Cir. 2025) at 1334.

[30] Id.

[31] Id. at 1334-1335.

[32] Id.

[33] Id.

[34] Id. at 1337.

[35] Id.

[36] Id. at 1336-1338.

[37] Id.

[38] Id.

[39] Id. at 1338-1339.

[40] Id.

[41] Id.

[42] Id.

[43] Id.

[44] See Alice Analysis: Practical Guidance From a Decade of Eligibility Cases - Part I, Reilley P. Keane, Intellectual Property Law and Technology Journal, vol. 37, no. 2, pp. 1-9

(February 2025); see also, Alice Analysis: Practical Guidance From a Decade of Eligibility Cases - Part II, Reilley P. Keane, Intellectual Property Law and Technology Journal, vol. 37, no. 3, pp. 1-8 (March 2025).

[45] See USPTO Director John A. Squires issues first patents of tenure, https://www.uspto.gov/about-us/news-updates/uspto-director-john-squires-issues-first-patents-tenure (Sept. 24, 2025). See also Ex Parte Desjardins, Appeal 2024-000567, (PTAB 2025), https://www.uspto.gov/sites/default/files/documents/202400567-arp-rehearing-decision-20250926.pdf. See also Memorandum on Reminders on Evaluating Subject Matter Eligibility of Claims Under 35 U.S.C. 101, Charles Kim (Aug. 4, 2025), https://www.uspto.gov/sites/default/files/documents/memo-101-20250804.pdf.