

5 Observations On USPTO's Updated 101 Guidelines

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On July 30, 2015, the U.S. Patent and Trademark Office issued an update to its interim guidelines on subject matter eligibility (a.k.a., § 101). While substantive procedure remains unchanged, the PTO's "additional guidance" gives more leeway to examiners, makes it more difficult for practitioners to challenge §101 rejections, and provides examples to help both sides argue their cases. The update briefly discusses the "markedly different characteristics" analysis related to laws of nature and naturally occurring subject matter, but notes that those examples are forthcoming. The bulk of the update instead focuses on the "abstract idea" judicial exception.

1. Showing Lack of Preemption Not Enough to Overcome 101

Based on themes from *Alice v. CLS Bank* and *Prometheus v. Mayo*, many practitioners have argued for eligibility based on a lack of preemption. The argument is typically as follows: Alternative ways to perform the alleged "abstract idea" exist (and may even be disclosed in the same specification). Those alternative ways are not covered by the claims. So, the claims do not preempt the abstract idea.

The PTO takes a stand against this argument. Pointing out that the courts do not impart eligibility based on preemption alone, the PTO also declines to do so. Specifically, "while a preemptive claim may be ineligible, the absence of complete preemption does not guarantee that a claim is eligible."

To make best use of a preemption argument, practitioners will likely need to show that a claim so clearly does not preempt the abstract idea that the claim is eligible for streamlined analysis. Yet by the time a rejection is issued, it is too late for that argument to be made. One possible solution is to participate in the First Action Interview program at the PTO. This allows a practitioner to present the applicant's case to the examiner before the rejection is ever made.

2. Examiners Given Power Similar to "Judicial Notice"

Throughout the update, the PTO defends its position on various points by drawing similarities between its procedures and analysis in the federal courts. In the courts, there are usually two parties (one, perhaps, being the PTO itself) presenting evidence and arguments to the court. The court can then



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weigh the arguments, the existing case law, and its own judicial expertise to make a decision. Yet without those procedural similarities, the PTO takes the same license to discount or disagree with eligibility arguments presented by a patent applicant. For example, because "the courts do not use preemption as a stand-alone test for eligibility," the PTO can discount this showing too, as discussed above. Similarly, "courts do not rely on evidence that a claimed concept is a judicial exception," so examiners also can rely on what "those in the art would recognize," without having to show any evidence of the same.

This means that, when rejecting a claimed invention as "fundamental" and thus abstract, an examiner does not have to show support for such a statement. Nor does the examiner have to provide evidence of what is "well-understood, routine, and conventional" in rejecting an applicant's argument that certain claim features are "significantly more" than the abstract idea. The update lists examples of what courts have recognized as being well-understood, routine or conventional, and encourages examiners to rely on that list. But the update also permits examiners to argue that certain features are routine, etc., simply based on an unsupported understanding of what "those in the art" would recognize. The update notes that the courts treat this as "judicial notice" and cautions examiners to tread carefully. But without any further guidance as to how examiners should decide what is "generally known in the art," and without a requirement for evidence to support the examiner's contention, practitioners will have little recourse to argue this point with the examiner, short of proving the negative — that it was not known in the art.

One thing left unclear is how expert testimony would be treated in this context. If an applicant submits expert testimony that, in fact, a particular limitation is not routine, etc., it is possible that this could override an examiner's unsupported argument regarding what was generally known in the art.

3. New Examples Help in Determining an "Abstract Idea" ...

The update provides an appendix with seven new examples to help examiners and practitioners understand the boundaries of an "abstract idea" and "significantly more." A number of these are new examples related to the software industry. Example 21 compares and contrasts hypothetical software claims. Examples 22 and 23, each directed to graphical user interfaces, show the level and type of detail that distinguishes an ineligible from an eligible claim. Example 27 is perhaps the most positive from a practitioner perspective. Taken from public comments received in response to the interim guidelines, Example 27 provides a streamlined eligibility analysis for a claim directed to remote access and storage of computer control software.

Having more examples to refer to should be welcomed by both practitioners and examiners alike. Practitioners now have multiple eligibility examples to support arguments for pending claims, and to model their own claims after. Examiners who previously wrestled with eligibility decisions now have more examples to support a finding of eligibility. One thing is clear from the detail in the guidance and examples: The PTO thought about the issues very carefully and took public comment to heart. In addition to creating its own hypotheticals, the PTO took examples from recent patents and public comments to expand the guidance beyond a simple recitation of case law examples.

4. ... But There Is Still No Clear Definition of an "Abstract Idea"

Though the additional examples are helpful in specific circumstances, they do little to further define an "abstract idea." A purported goal of the update is to "ensure that a claimed concept is not identified as an abstract idea unless it is similar to at least one concept that the courts have identified as an abstract

idea." But there is no guidance for judging that similarity. Instead, the PTO asks the technically trained — but not legally trained — examining corps to "refer to the body of case law precedent in order to identify abstract ideas." To help, the PTO's Quick Reference Sheet includes a chart with example technologies that the Federal Circuit and U.S. Supreme Court have deemed abstract. The PTO also includes a summary of case law to date.

On the one hand, the update encourages examiners to find a claim abstract only when it is similar to a technology identified by the courts. Hopefully, this will be a strong tool for practitioners whose claimed concepts differ from the technologies listed. But on the other hand, it is unclear how close a pending claim's technology needs to be. There is little a practitioner can rely on to refute vague correlations between pending claims and technologies on the list, should such be the basis for a §101 rejection.

5. Rise of the "Technical Effect" Test?

Example 21 provides two hypothetical claims side by side. The PTO states that one is eligible and one is not. The first claim recites a method. The second claim is identical to the first claim, except that it adds a providing step and a wherein clause reciting additional steps. The PTO noted that such "additional limitations" transformed the claim from "a generic computer performing generic computer functions" to "an ordered combination" that addresses an "Internet-centric challenge."

Each of examples 23 and 25 also refer to an "ordered combination" that rendered the claim eligible. Even if the individual elements in Examples 23 and 25 were not themselves special, the claims as a whole contained language affixing the method in a particular technological environment and causing a particular technical effect. Explicitly reciting such language in the claim showed how the claim "demonstrate[d] an improvement in the field" or "improve[d] the functioning" of the computer itself.

For practitioners, specifically reciting advantages or an ultimate use of the claimed method (at least, confined within a "technological" context) may support an applicant's argument for eligibility. Though this may result in a narrower claim than preferred by many practitioners, it may be the only way to address a §101 rejection in technologies identified as "abstract" by the courts.

In sum, the PTO tried to address as many public comments as possible that were received after the December 2014 interim guidelines. In asking for further clarification on certain issues, practitioners may not have received the answers they wanted — and it is unclear whether examiners will see the update and new examples as guideposts to stay within, or further license to broadly apply the Alice and Prometheus framework. As with the interim guidelines, the PTO has requested public comments on the update. The comment window closes Oct. 28, 2015.

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