

New USPTO Guidance may clear path for more technology patents

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On January 4, 2019, the United States Patent and Trademark Office (USPTO) released [new Patent Examiner Guidance](#) ("the Guidance") for subject matter eligibility. The updated guidance could benefit any technology patent applicant who has a computer-related invention — from smartphones to artificial intelligence — and who has previously had difficulty acquiring patents under the USPTO's procedures for

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determining patent subject matter eligibility.

This Guidance represents the current methodology for analysis of patent claims under 35 U.S.C. § 101 in view of *Mayo v. Prometheus*, *Alice v. CLS Bank Intl.*, and subsequent cases, and is intended to provide a more concrete framework for analyzing whether patent claims, as a whole, are merely “directed to” an abstract idea. The Guidance will supersede certain analysis methods articulated in previous guidance, particularly the examiner’s “Quick Reference” that previously sought to categorize abstract ideas.

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The *Alice/Mayo* test

The Guidance acknowledges that applying the *Alice/Mayo* test to analyze claims under § 101 has “caused uncertainty in this area of the law” and has resulted in examination practices that prevent stakeholders from “reliably and predictably determining what subject matter is patent-eligible.” As such, the Guidance attempts to remedy this uncertainty by revising the USPTO’s analysis under the first step (Step 2A) of the *Alice/Mayo* test:

1. Whether the claim recites a judicial exception; and
2. whether a recited judicial exception is integrated into a practical application. Only when a claim recites a judicial exception and fails to integrate the exception into a practical application, is the claim “directed to” a judicial exception, thereby triggering the need for further analysis pursuant to the second step of the *Alice/Mayo* test (USPTO Step 2B).

The Guidance does not substantively change the current analysis under Steps 1 and 2B.

In the past, examiners often analyzed claims under Step 2A by comparing claims at issue to those claims previously found to be directed to an abstract idea in judicial decisions. The new Guidance *explicitly* acknowledges that this approach is “impractical” due to “numerous” conflicting judicial decisions that find similar subject matter both eligible *and* ineligible.

A two-pronged approach

The Guidance replaces the previous analysis under Step 2A with a newly presented “two-pronged” analysis:

- Under the first prong, **examiners must determine if a claim falls within three “enumerated groupings of abstract ideas”** found in previous guidelines: “mathematical concepts,” “certain methods of organizing human activity” and “mental processes.” If a claim does not “fall within” one of these categories, then a claim is likely directed to patentable subject matter.

To support a finding that the claim “falls within” one of these categories, examiners must identify “specific limitations” in the claim (both individually and in combination) and determine whether the limitations fall within any of the three enumerated categories. These three categories are narrowly defined and recite specific types of claims (e.g. those directed to “mathematical formulas,” “economic” or “commercial” interactions or “concepts performed in the human mind”).

- Under the second prong, the Guidance provides clarification on how examiners should determine that a claim is “directed to” a judicial exception under Step 2A. The new procedure closely resembles the traditional (but largely unapplied) “preemption” analysis under § 101. Specifically, **examiners must now determine whether an abstract idea “is integrated into a *practical application* of that exception.”** An abstract idea is “integrated” into a practical application if the

application “applies, relies on, or uses the judicial exception in a manner that imposes a *meaningful limit* on the judicial exception.”

In practice, examiners must identify any “additional elements...beyond the judicial exception(s)” and determine whether these additional elements “integrate the exception into a practical application” using considerations such as: whether the additional elements “reflect an improvement in the functioning of a computer...or other technology”; “effect a particular treatment or prophylaxis”; are used with a “particular machine or manufacture that is integral to the claim”; “effect a transformation or reduction of a particular article to a different state of thing”; or apply the exception “in some other meaningful way beyond generally linking the use of the judicial exception to a particular technological environment.”

With the above in mind, it would be beneficial for a patent applicant to incorporate more of such information into the patent application and claims.

With respect to Step 2B, the analysis remains largely unchanged and is still expected to conform to the analysis laid out in MPEP § 2106.05, as modified by the USPTO Berkheimer Memorandum.

Likely reduction in claim rejections

The Guidance states that only in “rare circumstances” are examiners permitted to reject claims that do not satisfy both prongs. Before issuing such a rejection, the examiner “should bring the application to the attention of the Technology Center Director.” Correspondingly, the Technology Center Director must approve the rejection and “provide a justification for why such claim limitation is being treated as reciting an abstract idea” which will be “indicated in the file record of the application.”

The new Guidance states that it is intended to provide a more clear-cut framework for analyzing claims under Step 2A of *Alice/Mayo*. Instead of allowing examiners to broadly apply the growing body of (arguably

inconsistent) case law, examiners must now adhere to categorizing claims into USPTO-defined judicial exception categories. Specifically, rather than trying to find an analogy to a prior case in a “Quick Reference,” an examiner must consider whether a claim represents a “practical application” of the alleged abstract idea or is just a drafting attempt to “monopolize” the abstract concept before proceeding to Step 2B.

The Guidance has been distributed to examiners and training is being conducted. Practitioners and examiners alike will need to understand and adapt to this new Guidance. For example, how will examiners determine what a “practical application” may be? Will there be differences in application across different Art Units at the PTO? As with prior guidance, it will take time before the USPTO and practitioners become adept with this new examination methodology.

Practical observations for technology innovators

The Guidance is intended to provide some much-needed direction for technology patent applicants on how to formulate and prepare their patent applications to avoid potential subject matter eligibility issues. In addition, to the extent subject matter eligibility is raised by an examiner during the review process, the Guidance is intended to now allow patent applicants clearer understanding, and provides a pathway for responding to subject matter eligibility rejections under 35 U.S.C. § 101, particularly for those in the software sector.

Based on the Guidance, new patent applications for computer-based innovations should explain how the claimed invention is applied in a practical way. Similarly, practitioners should be prepared to explain how an existing patent application is a practical application of, or improvement to, computer or other technology. If the current patent application does not meet the new criteria, a practitioner may wish to consider filing an affidavit or declaration of an inventor or expert explaining the practical applications

or improvements represented by the claimed subject matter.

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