23 Jan 2019

New USPTO guidance on patentable subject matter

Baker Donelson - USA

Co-published

New USPTO guidance for revised patent subject-matter eligibility came into effect on 7 January 2019 (US Federal Register, vol 84, number 4, p 50 (7 January 2019)). It revises the procedures that the USPTO will apply when considering subject-matter eligibility of Section 101 of the Patent Act.

W Edward Ramage

The guidance represents the USPTO's effort to synthesise the disparate analysis of patent claims by the federal courts since the Supreme Court's rulings in *Mayo v Prometheus* and *Alice v CLS Bank* several years ago. It noted that analysis of claims under Section 101 has "caused uncertainty", and that "similar subject matter has been described both as abstract and not abstract in different cases". The case law precedent has become difficult for examiners to apply in a predictable manner, and the USPTO recognises that there are concerns about examiners within and between technology centres reaching inconsistent results.

The revised methodology starts after the first step (Step 1) of determining whether the claimed subject matter falls within one of the statutory classes of patentable subject matter (ie, process, machine, manufacture or composition of matter). The next step (Step 2A) is a two-pronged inquiry. Under the first prong, the examiner evaluates whether the claim recites a judicial exception. In essence, the examiner determines whether the claim falls within one of the following groups of subject matter, which are based on court decisions:

- mathematical concepts (eg, formulas, equations);
- certain methods of organising human activity (eg, fundamental economic practices or principles, commercial or legal interaction); and
- mental processes (eg, concepts performed in the human mind).

If a claim limitation does not fall within one of these groupings, the claim is determined to be patent eligible and the analysis ends. Otherwise, the examiner proceeds to the second prong.

Under the second prong of Step 2A, the examiner evaluates whether the judicial exception identified in the first prong has been integrated into a practical application that will apply, rely on or use the judicial exception in a way that imposes a meaningful limitation on the exception, so that the claim is more than a mere effort to monopolise the judicial exception. Examiners are directed to give weight to all additional elements in the claims, regardless of whether they represent well-understood, routine or conventional activity. The guidance provides some specific examples of integrated subject matter, such as an improvement in the functioning of a computer or a transformation or reduction of a particular article to a different state or thing. Merely reciting a field of use or implementing an abstract idea on a computer or using a computer as a tool to perform an abstract idea, among other things, is insufficient.

Assuming that either prong of Step 2A is not met, the analysis proceeds to Step 2B, which requires the examiner to evaluate whether the claim provides an inventive concept. This follows recent case law, which has found claims to be patent-eligible even though a judicial exception is recited in a separate claim element when additional limitations provide "significantly more" than the exception. For example, a specific limitation or combination of limitations that are "not well-understood, routine, conventional activity in the field" indicates that an inventive concept may be present.

The guidance is an improvement to the Section 101 analysis for patent applicants. However, it remains to be seen whether it will provide the desired consistency in practice.

For further information contact:

W Edward Ramage
Baker Donelson
View website
Email: eramage@bakerdonelson.com
Tel: +1 615 744 5771

TAGS

North America, **United States of America**