

# USPTO CLARIFIES SUBJECT MATTER ELIGIBILITY PROCEDURE

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## IP Procurement and Portfolio Management Alert

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On May 4, 2016, the United States Patent and Trademark Office ("USPTO") published a [memorandum](#) to assist patent examiners ("Examiners") in crafting subject matter eligibility rejections and analyzing applicant responses to those rejections. The memorandum, entitled *Formulating a Subject Matter Eligibility Rejection and Evaluating the Applicant's Response to a Subject Matter Eligibility Rejection* ("Memorandum") is intended to address the ongoing controversy regarding the proper usage of rejections for allegedly patent ineligible claims under 35 U.S.C. 101.

The Memorandum complements the information provided to Examiners in the 2014 Interim Guidance on Patent Subject Matter Eligibility and the July 2015 Update: Subject Matter Eligibility.<sup>[1]</sup>

The USPTO also notes that training will be provided for Examiners regarding the memorandum. However, there is no timeline provided for completing the training.

## PART I: FORMULATING SUBJECT MATTER ELIGIBILITY REJECTIONS

The Memorandum reminds Examiners that determining whether a claim is directed to patentable subject matter requires a two-step analysis: first, determining whether the claim is directed to one of the judicial exceptions to patentable subject matter; and second, if the claim is indeed directed to one of the judicial exceptions, identifying and explaining why any additional elements in the claims do not result in significantly more than the judicial exception. See Memorandum at 2.

The Memorandum clarifies that the rejection must refer to what is actually recited in the claims and explain why what is recited is considered to be an exception. If the claim describes an element that appears to be a judicial exception, rather than explicitly reciting that element, the Examiner must also explain how the description is a judicial exception. *Id.* The Memorandum also clarifies that the explanation should explain why the claim elements "correspond[] to a concept that the courts have identified as an abstract idea" or "explain using a reasoned rationale why [the claim element(s)] is considered to be a law of nature or a natural phenomenon." *Id.* at 1.

The treatment of claims directed to abstract ideas is very different than those directed to laws of nature or natural phenomena. Not only does the Memorandum state that the explanation for the abstract idea must be tied to a court decision, it notes explicitly that "Examiners should not go beyond those concepts that are similar to what the courts have identified as abstract ideas." *Id.* at 3. In contrast, perhaps because there are fewer cases identifying

laws of nature or natural phenomena, the Memorandum simply requires logical reasoning for the determination that a claim is directed to a law of nature or natural phenomenon. *Id.*

Further, if the claim is directed to one of the judicial exceptions, the Examiner is required to identify elements of the claims that are additional to the judicial exception and explain "the reason(s) that the additional elements taken **individually**, **and** also taken **as a combination**, do not result in the claim as a whole amounting to significantly more than the judicial exception." *Id.* (emphasis in original). Hopefully this clarification will lead to Examiners providing additional detail in their rejections, particularly where claims include numerous additional elements. The Memorandum also reminds Examiners that a rejection should be made for claims containing additional elements "only if it is readily apparent to an examiner relying on his or her expertise in the art . . . that the additional elements do not amount to claiming significantly more than the recited judicial exception." *Id.* at 4.

Not only is the Examiner required to fully explain why additional elements do not cause a claim to be directed to patentable subject matter, the Memorandum states that the Examiner is also required to explain, where appropriate, why additional elements do cause claims to be directed to patentable subject matter. *Id.* at 4.

## PART II: EVALUATING APPLICANTS' RESPONSES

The second part of the Memorandum is directed to the analysis that Examiners should perform when receiving a response from an applicant to a patent eligibility claim rejection. The majority of the Memorandum reminds Examiners that they must consider all evidence and all amendments presented in response. *Id.* at 5–7. The Memorandum specifically notes that additional elements added by amendment should be considered both individually and in combination with other claim elements to determine if they add significantly more to the claims to cause them to be directed to patentable subject matter. *Id.* at 5.

The Memorandum also explains that if the Examiner does not determine that the amendments, arguments, or evidence are sufficient, a rebuttal must be provided in the next Office Action. *Id.* at 5–7. The Memorandum provides several examples of possible rebuttals. For example, for cases where applicants have argued that their claim is patent-eligible and analogized to a court case, "an appropriate response would be an explanation as to why the abstract idea identified in the claim is similar to a concept in a cited case." *Id.* at 6. The Memorandum also expects the Examiners to have a high degree of familiarity with the court cases: where applicants do not provide case cites in their arguments in response, the Memorandum states that "the Examiner would need to point to a case in which a similar abstract idea was identified and explain why the abstract idea recited in the claim corresponds to the abstract idea identified in the case . . . ." *Id.*

As another example, the Memorandum explains that when applicants argue that claim elements are not routine, well-known, or conventional, the Examiner is required to "reevaluate" whether the elements actually are well-known, particularly if these elements are not discussed as being well-known in the specification. *Id.* at 6.

It will be interesting to see how, and to what extent, the suggestions and guidance provided in the Memorandum affect Examiner behavior in drafting rejections based on alleged lack of patentable subject matter and in responding arguments made by applicants.

## NOTES:

[1] For additional information on the prior guidance from the USPTO on this topic, please see [Patent Office Issues New Examination Guidelines for Subject Matter Eligibility](#).

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