

## The State of § 101 Patent Eligibility for *Ex Parte* Applicants in the United States

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### What is the state of the two-part test?

While specific approaches vary by Group Art Unit in the USPTO, in general, in my view, examiners or their supervisors appear to determine that claims are ineligible under 35 U.S.C. § 101 based upon criteria other than Steps 2A and 2B of the *Alice-Mayo* decision framework, then write examining actions that fit the result into the framework. For me, Step 2A has become largely irrelevant, as with computer-implemented process claims it is virtually always possible to construct an abstract idea to which the claims are allegedly directed. Examiners address this in different ways in written actions. Some select a short, conceptual abstract idea, which leaves them vulnerable to attack on the grounds that all “additional elements” beyond the asserted abstract idea have not been identified or considered in the Step 2B “significantly more” analysis. Other examiners quote the entire “core” of the claim as the asserted abstract idea, in many cases ignoring the Director’s mandate, as expressed in the Robert Bahr memorandum of November 4, 2016, that an abstract idea must be “recited in or described by” the claim. For claims that expressly recite steps that can only be performed by machine, asserting that the entire body of the claim recites or describes an abstract idea is untenable. Therefore, my view is that § 101 analysis is virtually always result-oriented in the examining groups.

The battleground, then, is Step 2B: determining what is “significantly more.” Here, responding to the natural human tendency to simplify things, examiners tend to ignore the subtleties of the case law favoring applicants and seek to shoehorn every claim into one of the cases that found ineligibility. Different examiners and art units apply different criteria about whether the § 101 hurdle is jumped by reciting a *Diamond v. Diehr*-style effect on a physical thing, reciting interactions of multiple computers, reciting method steps that do not appear “obviously obvious,” or other criteria roughly derived from the cases. Early interviewing of examiners to address different amendment proposals can help, depending on the level of seniority of the examiner. Unfortunately, over 50% of these negotiations also appear subject to independent review by the Office’s § 101 panels, which applicants cannot access, so many interviews result in non-committal comments by examiners. The process end-to-end remains non-transparent and frustrating for applicants who are active in industrial sectors that they believe to be technology driven yet who are unable to convince their government that their claimed invention recites a technical solution just significant enough to reach later prior art analysis under §§ 102, 103.

Because the two-part test rests upon decisions such as whether a claim is “directed to” a “judicial exception” such as an abstract idea, and whether the claim recites “significantly” more than the asserted abstract idea, in my view the § 101 case law landscape and its application in the USPTO has reached a state equivalent to Supreme Court death penalty jurisprudence in 1994. Addressing that situation, Justice Harry Blackmun famously wrote:

From this day forward, I no longer shall tinker with the machinery of death. For more than 20 years, I have endeavored—indeed, I have struggled—along with a

majority of this Court, to develop procedural and substantive rules that would lend more than the mere appearance of fairness to the death penalty endeavor. Rather than continue to coddle the Court's delusion that the desired level of fairness has been achieved and the need for regulation eviscerated, I feel morally and intellectually obligated simply to concede that the death penalty experiment has failed.

Blackmun J., dissent from denial of certiorari, *Callins v. James*, 510 U.S. 1141 (1994). Patent eligibility analysis is now equally complex and can never assure fairness in its application. Consequently applicants can only hope that the day comes when a plurality of the Court decide that they can no longer tinker with the machinery of abstractness, that when Congress wrote "any process" in 35 U.S.C. § 101 as a threshold test of eligibility it meant what it said, that imposing any form of test of inventiveness as part of determining eligibility necessarily resurrects the "flash of genius" test (see *Cuno Engineering v. Automatic Devices*, 314 U.S. 84 (1941)) and engrafts it to § 101 in a way never intended by the Patent Act of 1952, and that all prior decisions imposing judicial exceptions or twists on its meaning have been wrong. Until that day, the battle has been joined and industry will not rest from seeking patents on technological innovations in computing that just happen to require some abstract terminology to describe them.

#### How do you tell if the claim includes an abstract idea?

In reviewing claims drafted by others, I adopt the broadest possible (not "reasonable") claim construction and ask whether the claim is capable of mental performance or recites the interaction solely of abstract concepts. The goal is to formulate the best case for abstractness that the examiner could assert properly. In so doing, I also tend to apply an EPO-style technical problem-solution approach in which I ask whether the claim appears to relate to a technical problem by its express terms, and also recites a technical solution by its express terms. "Technical," in this sense, is unrelated to business, advertising and other categories of industry that are *de facto* ineligible under USPTO practice. Therefore, testing for abstractness necessarily asks whether the claim addresses a business problem and recites a process that provides a business improvement rather than a technical improvement. Claims reciting processes that are computer performed, but involve input of data, transformation of data, and storage or output of data in an improved or more useful form, are in a gray area for me yet often can be "saved" by added recitations that tie them to technical elements. For the USPTO, I believe these claims are the most difficult and the simplistic answer has been to assert that all such claims are abstract. This is prejudicial to certain industry sectors such as artificial intelligence and machine learning in which improved statistical computation methods represent core inventive work.

#### How do you tell if there is "significantly more"?

I start by confirming that a technical solution is present, as noted above. I also use the applicant-favorable case law as a checklist, and principles distilled from it. One must be careful not to lose credibility by arguing a case, like *Enfish*, that does not reasonably apply. Not every claim recites something analogous to a "self-referential table" or other "specific type of data structure designed to improve the way a computer stores and retrieves data in memory." Interviewing is essential, as noted above, to explore what aspects of claims are considered "significantly more" in the applicable Group Art Unit.

For inventions with a technical component, has dealing with § 101 issues become more straightforward in the PTO?

Yes. The examiner's burden to prepare a § 101 rejection is a deterrent to unnecessary rejections. They are rare in cases involving computer security, memory management, signal processing, internetworking protocols and other cases in which the express terms of the claims are indisputably technical. For these cases, a § 101 rejection usually is not asserted at all.

What do you think about the practice of steering cases to better art units using the title or the claim preamble?

My view is that this practice is no longer viable if it is limited to the title, preamble and abstract. Cases appear to spend more time in the classification unit and Group Art Unit Supervisory Examiners have the power to reassign cases out of their unit if the applicant succeeds in an improper diversion. Instead, the entire body of the specification should show that embodiments of the invention properly fall in a particular art unit, presuming this can be done honestly. Any less desirable business-focused application, which may have been the inventors' original reason for initiating the case, is best left to one example.

The long game is: become European. By this I mean that a patent specification for a United States original case should be drafted based upon a deep understanding of the technical problem-technical solution approach used in European Patent Office practice. Practitioners should obtain and study examples of claims that have been held to be technical in decisions of the EPO Technical Board of Appeal, and those that have not. Fundamentally, the specification should be drafted to address an entirely technical problem, not a business problem, and the embodiments and examples all should reveal technical solutions. For the practitioner, a special challenge is drafting in a technical manner when all inventors view the invention as improving a business process or transforming data from one state to another for the purpose of better business decisionmaking or more convenient viewing and understanding. There is no easy way out for such a practitioner and it may be necessary to undertake deep reflection on how the invention could be framed as improving computer performance or efficiency in use of resources such as CPU cycles, storage or network bandwidth.

How much variance is there among Examiners?

Considerable, up to and including denial of due process to applicants. Variance exists in the seriousness with which the § 101 issue is taken overall, as well as the level of detail and sophistication in written examination actions. Some actions state a rejection in a single paragraph and others are extensive. For example, I have received examining actions in which the articulation of a § 101 rejection for one independent claim has been 25 pages long, and included comments anticipating and declining potential counter-arguments by the applicant. In one case, the examiner cautioned the applicant not to counter-argue that the USPTO must have some fact-based frame of reference to conclude that a claim is "directed to" a judicial exception or represents a "fundamental economic principle long known in our system of commerce"; this examiner's contention is that no factual basis at all is required, since Step 2A is a question of law. When examiners send actions that instruct applicants not to bother replying because no consideration will be given to their arguments, applicants are left to conclude that they cannot get a fair hearing from the government at the examining level.

One reason to hold interviews is to explore the level of seriousness with which the § 101 issue is taken by an examiner or examining group. If the examiner's position is, "I have studied the entire disclosure and it cannot support any claim to a technical solution," it's best to hear it early.

Do you think the various data compilation tools that provide statistics on Examiners are changing prosecution practice much?

Yes. I believe they have become essential both to inform the expectations of applicants and assist patent practitioners in making procedural decisions. They also contribute to transparency in the USPTO's handling of cases in different technical areas. For example, I recently reviewed the profile of an examiner (in GAU 3622, I believe) using Examiner.Ninja having a personal overall allowance rate of just 3% and a group allowance rate of only 8%. Metrics like this reveal a *de facto* exclusion of subject matter from patentability. It is simply not credible that every patent application classified to that GAU contains only claims that are entirely abstract and a disclosure that cannot support any claim to technical subject matter.

\*The views expressed in this paper are those of the author and not necessarily the views of the firm or its clients. For advice applicable to your specific situation, engage and consult an attorney.