

ALERT

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Patent Office Issues Guidelines Defining A Path For Subject Matter Eligibility

In late July 2015, the Patent Office issued updated subject matter eligibility guidance ("Guidelines"). These Guidelines are extraordinarily important because Patent Examiners have been working with little guidance as to how to analyze the rejuvenated abstract idea exception to patent eligibility.

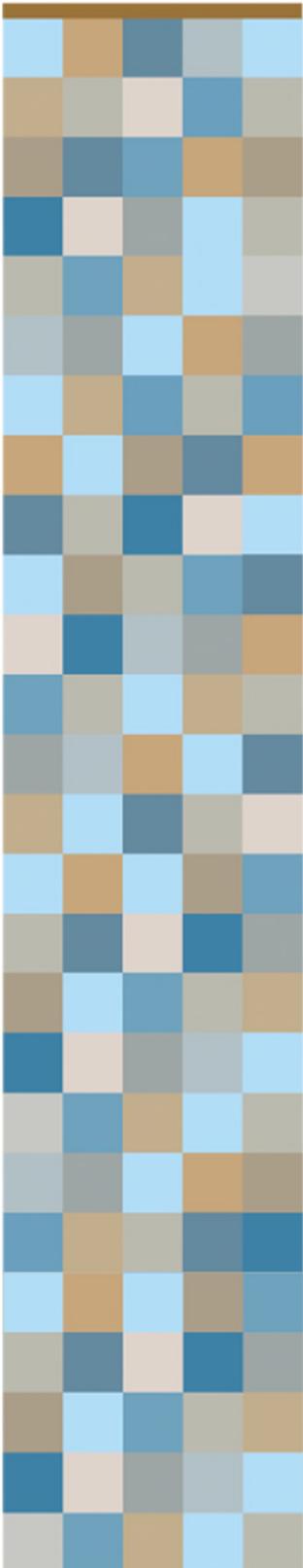
Patent Examiners have been struggling with application of the *Alice v. CLS Bank* test since the case was decided in June 2014. Some Examiners have simply not allowed any applications in their art unit. Others have offered to receive any reasonable argument and then simply deferred to their supervisors. Still others have simply said – counselor, I wish I knew how to guide you here. Well, now we have some guidance.

In brief, the *Alice* test requires a two part examination of a claim: 1) is the claim directed to an abstract idea? 2) if the claim is directed to an abstract idea, does that claim add something "significantly more". In issuing perfunctory rejections, Examiners have basically copied claims before them and simply stated – the claim with elements A, B, C, and D is directed to an abstract idea. Then, since a computer is being used, that computer is being used in a generic way and so something "significantly more" is not being added.

With respect to the first prong, that of defining an abstract idea, the Guidelines instruct Examiners "to refer to the body of case law precedent in order to identify abstract ideas by way of comparison to concepts already found to be abstract." The goal "is meant to guide Examiners and 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." (emphasis added).

There are four delineated categories of abstract ideas, corresponding to court rulings, and we have now some definitions for each:

- 1) fundamental economic practice – concepts relating to the economy and commerce, such as agreements between people in the form of contracts, legal obligations, and business relations;
- 2) an idea itself – idea standing alone such as an un-instantiated concept, as well as a mental process that can be performed in the human mind, or by a human with pen or paper;



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- 3) methods of organizing human activity – interpersonal and intrapersonal activities such as managing relations or transactions between people, handling legal obligations, advertising, etc.
- 4) Mathematical concepts – mathematical algorithms, relationships, etc.

With respect to the second prong of the Alice test, that of adding something significantly more, the Guidelines said Examiners must consider elements individually AND in combination. In general, each element may reflect a generic computer operation but the combination of the elements may amount to something significantly more.

The Guidelines provide hypothetical claims and explanations as to how those claims should be examined. Of relevance, in example 21 of the Guidelines, an invention for acts for distributing stock quotes was said to be abstract but something significantly more was added because the claim elements as a whole amounted to something significantly more. The solution there was internet-centric and rooted in computer technology.

Example 23 is a hypothetical set of claims directed to a graphical user interface (GUI). In the GUI, the inventor dynamically reallocated obscured technical information. According to the Guidelines, this was NOT an abstract concept because it did not relate to an abstract idea previously recognized by the courts. Further, the claim is rooted in computer technology. These claims would be patent eligible.

Also in example 23, in another claim found to be an abstract concept (because it was directed to a mathematical algorithm), the Guidelines said there was something significantly more because, while some of the steps are conventional the entire process of the steps taken together produced something significantly more than a mathematical algorithm.

With these new Guidelines, counselors have more information available to draft and prosecute patent applications. Please contact us if you have any specific questions.



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