



**By Email**

Sean Reilly  
General Counsel  
Askeladden L.L.C.  
1114 Avenue of the Americas, 17th Floor  
New York, NY 10036

March 16, 2015

Michelle Lee  
Undersecretary of Commerce and Director  
U.S. Patent and Trademark Office  
600 Dulany Street  
Alexandria, Virginia 22314  
Email: 2014\_interim\_guidance@uspto.gov

Dear Director Lee:

I write on behalf of Askeladden L.L.C. (“Askeladden”) to express support for and to comment on the Office’s 2014 Interim Guidance on Patent Subject Matter Eligibility. We greatly appreciate the Office’s attention to improving examination quality with respect to this important area of law and support the example-based methodology that the Office is employing to guide examiners. We encourage the Office to continue to develop such materials as the law further develops, as part of a larger effort to assist examiners in making high-quality subject matter eligibility determinations during prosecution. In addition to providing such guidance at regular intervals, these efforts should be complemented with an increased focus on examiner training regarding subject matter eligibility.

**Askeladden’s Patent Quality Initiative**

Askeladden is an education, information and advocacy organization, which through its Patent Quality Initiative (“PQI”) is dedicated to improving the understanding, use and reliability of patents in financial services and elsewhere. Through the PQI, Askeladden strives to improve patent quality and to address questionable patent holder behaviors. To this end, Askeladden is working to strengthen and support the patent examination process by making pertinent prior art more easily accessible and by providing educational briefings on the evolution of technology in financial services. Askeladden also files amicus briefs that highlight issues critical to patent

quality and petitions the Office to take a second look at patents under Inter Partes Review (IPR) that it believes are invalid.

Askeladden is a wholly owned subsidiary of The Clearing House Payments Company L.L.C. Established in 1853, The Clearing House is the nation's oldest banking association and payments company. The Clearing House Payments Company provides payment, clearing, and settlement services to member banks and other financial institutions, clearing almost \$2 trillion daily. This is nearly half of the automated clearing-house, funds transfer, and check-image payments made in the United States. The Clearing House Payments Company is owned by the world's largest commercial banks, which collectively employ 1.4 million people in the United States and hold more than half of all U.S. deposits. The Clearing House Payments Company's affiliate, the Clearing House Association, acts as a nonpartisan advocacy organization representing the interests of its owner banks on a variety of important banking issues. Askeladden pursues its PQI independently of the business and activities of The Clearing House Payments Company and The Clearing House Association.

### **The Importance of Improving Examination of Subject Matter Eligibility**

Askeladden believes that a strong patent system is vital to continued innovation in the United States. Patents claiming abstract concepts, however, undermine real innovation and threaten the soundness and security of our nation's financial infrastructure. The patent examination process should reward actual technological innovation with appropriately tailored patent protection over the inventive technology. Ensuring the quality of patent examination with respect to questions of subject matter eligibility under 35 U.S.C. § 101 is critically important to appropriately incentivizing and rewarding such innovation.

Patents directed to financial and other business methods performed by software, are an area of particular relevance to the financial services industry. Members of the financial services industry spend significant time and resources on innovation and frequently seek patent protection over their own important advances in the financial services space. It is thus in the interest of and of great importance to the financial services industry to ensure that patents continue to be issued on patent-eligible inventions, and that the Supreme Court's decision in *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. \_\_\_ (2014) does not have an unwarranted chilling effect on the issuance of patents claiming inventions that involve patent eligible computer software.

At the same time, the financial services industry has been plagued for many years by patent litigation based on patents that claim longstanding financial or business practices that are abstract ideas performed using computers. The issuance of such patents leads directly to costly and wasteful litigation that is detrimental to economic progress and actual innovation. The financial services industry therefore has an equally strong interest in fostering improvement in the patent examination process, so that examiners can weed out claims to patent ineligible abstract ideas during patent examination.

## **The Office Selected a Sound Methodology for Improving Examination Quality**

The Interim Guidance of December 16, 2014 provides both an overview of the proper analysis of subject matter eligibility under *Alice* and a series of examples of how that analysis is properly performed with respect to particular exemplary claims. 79 Fed. Reg. 74618 *et seq.* In January, 2015, the Office supplemented this guidance with examples directed to claims involving computer software and the Internet. *See* [http://www.uspto.gov/patents/law/exam/abstract\\_idea\\_examples.pdf](http://www.uspto.gov/patents/law/exam/abstract_idea_examples.pdf).

We applaud the Office for its decision to include example analyses as part of the Guidance. We believe this is a sound methodology for guiding examiners. As numerous courts have noted, the *Alice* decision itself speaks at a generic level, and the examples the Office provides are very useful in demonstrating how the standard set forth in *Alice* is properly applied to actual claims. Going forward, we hope that the Office will continue to provide examiners with additional examples and seek input from the private sector on those examples on a regular basis. We further applaud the Office for providing a balanced sampling of examples of both patent eligible and patent ineligible subject matter, thereby helping to ensure that examiners have a holistic understanding of subject matter eligibility.

### **Additional Measures, Including Supplemental Examiner Training, Are Needed**

To ensure high quality patent examination with respect to subject matter eligibility, we believe that the Interim Guidance should be coupled with supplemental training. In particular, supplemental training should be provided to examiners who are likely to review claims that could implicate subject matter eligibility concerns, such as examiners reviewing patents in Class 705. Like the Interim Guidance, that training should involve the application of *Alice* to example claims, and preferably be conducted in an interactive environment where examiners can test their proficiency.

The Office should also consider whether panels of SPEs and/or primary examiners should be formed to quickly respond to inquiries from examiners regarding the *Alice* analysis as it applies to particular sets of pending claims.

\* \* \*

Askeladden recognizes that the Guidance is but one aspect of the Office's emphasis on patent quality. We greatly appreciate the Office's diligent efforts in improving patent quality on all fronts.

Very truly yours,

Sean Reilly  
General Counsel  
Askeladden L.L.C.