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# Patent Public Advisory Committee Quarterly Meeting

## Patent Examination Policy Update

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# Subject Matter Eligibility Update

- Judicial developments
- Examiner Memoranda and Training

# Supreme Court Developments

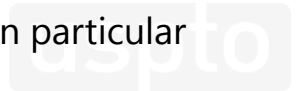
- Petitions for Certiorari Denied June 27, 2016
  - *Versata Development Group, Inc. v. SAP America, Inc., et al.*
    - § 101 Issue: Whether a software-related invention that improves the performance of computer operations is patent-eligible subject matter
  - *Sequenom, Inc. v. Ariosa Diagnostics, Inc., et al.*
    - Issue: Whether a novel method is patent-eligible where: (1) a researcher is the first to discover a natural phenomenon; (2) that unique knowledge motivates him to apply a new combination of known techniques to that discovery; and (3) he thereby achieves a previously impossible result without preempting other uses of the discovery.

# ***Enfish, LLC v. Microsoft Corp.***

- Federal Circuit stated that certain claims directed to improvements in computer-related technology, including claims directed to software, are not necessarily abstract
  - Some improvements in computer-related technology, such as chip architecture or an LED display, when appropriately claimed, are undoubtedly not abstract
  - Software can make non-abstract improvements to computer technology just as hardware can
- Claims were **eligible** because they were not directed to a judicial exception (Step 2A inquiry in Office guidance)
  - Court relied on the focus of the claims, which was on the specific asserted improvement in computer capabilities (*i.e.*, the self-referential table for a computer database)
  - Court distinguished *Alice Corp.* and *Bilski* where claims were focused on a process that qualified as an “abstract idea” for which computers were invoked merely as a tool

# May 19, 2016 Memorandum

- **Clarified Step 2A:** An examiner may determine that a claim directed to improvements in computer-related technology is not directed to an abstract idea under Step 2A (and thus is eligible) without performing Step 2B analysis
  - A claim directed to an improvement in computer-related technology can demonstrate that the claim does not recite a concept similar to previously identified abstract ideas
- Examiners should look to the teachings of the specification to make the determination of whether the claims are directed to an improvement in existing technology
  - Improvement in *Enfish* offered benefits over conventional databases: increased flexibility, faster search times, and smaller memory requirements
  - Improvement does not need to be defined by reference to “physical” components
  - Improvements can be defined by logical structures and processes, rather than particular physical features



# ***Rapid Litigation Management v. CellzDirect***

- Claims were **eligible** because they were not directed to a judicial exception (Step 2A inquiry in Office guidance)
  - The inventors discovered hepatocyte’s ability to survive multiple freeze-thaw cycles, “but that is not where they stopped, nor is it what they patented”
  - End result of claims was more than observation or detection of this ability, because claims recite a number of process steps (*e.g.*, fractionating, recovering, and cryopreserving) that manipulate hepatocytes in accordance with their ability to survive multiple freeze-thaw cycles, to achieve a desired outcome (a preparation of multi-cryopreserved viable hepatocytes)
- Federal Circuit made two other points:
  - Eligibility does not turn on ease of execution or obviousness of application
  - Pre-emption is not the test for determining patent eligibility – it is a concern that undergirds § 101 jurisprudence

# July 14, 2016 Memorandum

- Stated that *Rapid Litigation* and *Sequenom* do not change the subject matter eligibility framework, and the USPTO's current subject matter eligibility guidance and training examples are consistent with *Rapid Litigation* and *Sequenom*
- Clarified Step 2A: An examiner may determine that a claim directed to a process for achieving a desired outcome as in *Rapid Litigation* is not directed to a law of nature under Step 2A without the need to analyze additional elements under Step 2B
  - Step 2A analysis requires more than “merely identify[ing] a patent-ineligible concept underlying the claim”
  - “Directed to” inquiry of a process claim requires an analysis of whether the end result of the claims is a patent-ineligible concept; like *Enfish* in emphasizing focus of the claims



# ***Bascom Global Internet Services v. AT&T Mobility***

- Court found that the claims are directed to the abstract idea of filtering content, but are **eligible** because they amount to significantly more (Step 2B inquiry in Office guidance)
- The invention combined the advantages of then-known filtering tools, while providing individually customizable filtering at a remote ISP server by leveraging the technical capability of certain communication networks
  - An inventive concept can be found in the non-conventional and non-generic arrangement of known, conventional pieces
  - The claims do not merely recite the abstract idea along with the requirement to perform it on the Internet or to perform it on a set of generic computer components

# Summary of Judicial Developments

## Federal Circuit

- Precedential
  - *Enfish, LLC v. Microsoft Corp.* (May 12, 2016)
  - *In re TLI Communications* (May 17, 2016)
  - *Bascom Global Internet Services, Inc. v. AT&T Mobility LLC* (June 27, 2016)
  - *Rapid Litigation Management v. CellzDirect* (July 5, 2016)
  - *Electric Power Group, LLC v. Alstom S.A.* (August 1, 2016)
- Non-precedential
  - *Shortridge v. Foundation Construction Payroll Service, LLC* (July 12, 2016)
  - *Lendingtree, LLC v. Zillow* (July 25, 2016)
  - *In re Chorna* (August 10, 2016)
- Rule 36 Judgments
  - *Becton, Dickinson & Co. v. Baxter Int'l* (May 9, 2016)
  - *Kickstarter, Inc. v. Fan Funded, LLC* (June 10, 2016)
  - *Exergen Corp. v. Sanomedics Int'l Holdings, Inc.* (June 17, 2016)
  - *IPLearn-Focus, LLC v. Microsoft Corp.* (July 11, 2016)

# Questions and Comments

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