

**UNITED STATES
PATENT AND TRADEMARK OFFICE**

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Patent Public Advisory Committee Quarterly Meeting

Patent Examination Policy Update

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Subject Matter Eligibility Update

- Judicial developments
- Roundtables & next steps

Supreme Court Developments

- Petitions for Certiorari Denied October 3, 2016
 - *Genetic Tech. v. Merial L.L.C.*
 - Whether a Rule 12(b)(6) motion may be properly granted based on patent-ineligibility when the record plausibly demonstrates that the claimed process inventively applies a natural phenomenon for a new and useful purpose, the claimed process does not improperly preempt the natural phenomenon, and the claimed process is not routine and conventional.
 - *Essociate, Inc. v. Clickbooth.com LLC*
 - Whether the Supreme Court should clarify the meanings of “abstract idea” and “inventive process”.
 - *Jericho Systems v. Axiomatics, Inc.*
 - Whether a patent may be invalidated as an “abstract idea” under 35 U.S.C. § 101 when it claims a specific implementation and does not preempt other uses of the abstract idea.

Supreme Court Developments

- Petition for Certiorari Pending
 - *In re Trading Tech. Int'l* (formerly *In re Smith*)
 - Whether an indisputably new and non-obvious use (*i.e.*, game steps) of an existing manufacture (*i.e.*, playing cards) can be patent ineligible in view of 35 U.S.C. § 100(b)'s statement that a "process" includes a "new use of a known process, machine, manufacture, composition of matter, or material."

McRO, Inc. v. Bandai Namco Games America

- Claims were **eligible** because they were not directed to a judicial exception (Step 2A inquiry in Office guidance)
 - Claims were directed to an improvement in computer-related technology (allowing computers to produce “accurate and realistic lip synchronization and facial expressions in animated characters” that previously could only be produced by human animators), not an abstract idea
 - Claims described a specific way (use of particular rules to set morph weights and transitions through phonemes) to solve the problem of producing accurate and realistic lip synchronization and facial expressions in animated characters, rather than merely claiming the idea of a solution or outcome
- Other notable points from decision:
 - Federal Circuit cautioned that courts “must be careful to avoid oversimplifying the claims”; important to account for specific requirements of the claims in eligibility analysis
 - Indications that a claim is directed to an improvement in technology may include teachings in the specification about the claimed invention, or claiming a particular solution to a technological problem as opposed to merely claiming the idea of a solution

Summary of Recent Judicial Developments

Federal Circuit

- Precedential
 - *McRo, Inc. dba Planet Blue v. Bandai Namco Games America Inc.* (September 13, 2016)
 - *Affinity Labs. v. Amazon.com* (September 23, 2016)
 - *Affinity Labs. v. DirecTV* (September 23, 2016)
 - *Intellectual Ventures v. Symantec* (September 30, 2016)
 - *FairWarning IP v. Iatric Systems* (October 11, 2016)
 - *Synopsys v. Mentor Graphics Corp.* (October 17, 2016)
- Non-precedential
 - *TDE Petroleum Data Solutions v. AKM Enterprise* (August 15, 2016)
- Rule 36 Judgments
 - *Kombea Corp. v. Noguar L.C.* (September 8, 2016)
 - *Capital Dynamics v. Cambridge Associates, LLC* (September 9, 2016)
 - *Novo Transforma Tech. v. Sprint Spectrum, L.P.* (September 23, 2016)
 - *Broadband iTV v. Hawaiian Telcom* (September 26, 2016)
 - *GT Nexus v. INTTRA* (October 11, 2016)
 - *Concaten v. AmeriTrak* (October 11, 2016)
 - *DataTreasury v. Fidelity Nat'l Info. Svcs.* (October 13, 2016)
 - *In re Villena* (October 13, 2016)
 - *Blue Spike v. Google* (October 14, 2016)

Roundtables

- Federal Register notice published October 17, 2016 to announce:
 - November 14, 2016 Roundtable
 - Held at USPTO headquarters, with remote participation available at regional offices
 - Invites discussion and seeks feedback, views, and comments from interested stakeholders and members of the public on how to improve USPTO subject matter eligibility guidance and training examples
 - December 5, 2016 Roundtable
 - Hosted by Stanford University, with remote participation available at regional offices
 - Facilitate broader legal discussion on the contours of patentable subject matter, including how the current section 101 jurisprudence is evolving, what the optimum legal contours for patent eligibility should be, and how best to achieve these goals

Next Steps

- Ongoing public comment period
 - Feedback from the public and the examining corps is being analyzed
 - Additional information expected from quality case studies regarding subject matter eligibility
- Federal Circuit decisions relating to subject matter eligibility may continue to fill in gaps
- May develop additional guidance materials, *e.g.*, examples and training

Questions and Comments

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