

**UNITED STATES
PATENT AND TRADEMARK OFFICE**

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Patent Public Advisory Committee Quarterly Meeting

Patent Examination Policy Update

Robert Bahr

Deputy Commissioner for Patent Examination Policy

Mary Critharis

Senior Patent Counsel, OPIA

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Subject Matter Eligibility Update

- Judicial developments
- Roundtables & next steps

November 2, 2016 Memorandum

- **Clarified Step 2A:** *McRO* noted that improvements in computer-related technology are not limited to the operation of a computer or network *per se*, but may also include allowing computer performance of a function not previously performable by a computer.
- An indication of an improvement in computer-related technology may include
 - A teaching in the specification about how the claimed invention improves a computer or other technology
 - Claiming a particular solution to a problem as opposed to merely claiming the idea of a solution
- **Clarified Step 2B:** *BASCOM* reiterated that examiners should consider additional elements in combination, as well as individually, when determining whether a claim amounts to significantly more.

Supreme Court Petitions

- Petition for Certiorari Pending
 - *TDE Petroleum Data Solutions, Inc. v. AKM Enterprise, Inc.*
 - “Whether an issued patent for a software implemented industrial process that regulates and controls the operation of an oil rig, which is patentable subject matter under this Court’s interpretation of 35 U.S.C. §101 in *Diamond v. Diehr*, is rendered unpatentable subject matter after this Court’s decision in *Alice v. CLS Bank*.”
 - *DataTreasury Corp. v. Fidelity Nat’l Information Services*
 - Whether a court must consider secondary considerations evidence (e.g. copying, unmet need, commercial success and failure of others) in its Section 101 analysis.
- Petitions for Certiorari Denied
 - *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.”
 - *IPLearn-Focus LLC v. Microsoft Corp.*
 - Whether a court can find the additional limitations amount to conventional implementation of an abstract idea where the only evidence on record demonstrates the ordered combination of elements are unconventional and perform novel applications.

Federal Circuit En Banc Petitions

- *Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*
 - Whether features disclosed in the specification but not claimed may confer patentability.
- *Trading Tech. Int'l Inc. v. CQG, Inc.*
 - Whether questions of patentability such as novelty, obviousness and enablement play a role in the § 101 analysis.

Amdocs v. Openet

- Claims in three patents were **eligible** because the additional limitations provided an inventive concept (Step 2B inquiry in Office guidance)
 - The claims recite methods and products for using a distributed network architecture to reduce congestion in billing/accounting systems of network service providers.
 - The court found the claimed invention “entails an unconventional technical solution (enhancing data in a distributed fashion) to a technological problem (massive record flows which previously required massive databases).”
- Other notable points from the decision
 - Eligibility may be found from generic computer components working together in an unconventional manner to solve a technological problem.
 - Similar to *DDR*, the court did not explicitly state whether the claim was directed to an abstract idea (Step 2A inquiry in Office guidance). Instead, choosing to skip directly to finding eligibility in Step 2B.

Trading Tech v. CQG

- Claims were **eligible** because they were not directed to a judicial exception (Step 2A inquiry in Office guidance)
 - The claims recite systems and methods for dynamically displaying market information relating to and facilitating trading of a commodity in an electronic exchange using a graphical user interface (GUI).
 - The Federal Circuit agreed with the district court that the claims are directed to an improvement in existing GUI devices that have no “pre-electronic trading analog”, and recite more than “‘setting, displaying, and selecting’ data or information that is visible on the [graphical user interface] device.”
- Other notable points from the decision:
 - This case is a reminder that software and other improvements in computer-related technology are not abstract when appropriately claimed.
 - The decision is non-precedential.

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)
 - ***McRo, Inc. dba Planet Blue v. Bandai Namco Games America Inc.* (September 13, 2016)**
 - *Affinity Labs of Texas v. Amazon.com* (September 23, 2016)
 - *Affinity Labs of Texas v. DirecTV* (September 23, 2016)
 - *Intellectual Ventures I v. Symantec Corp.* (September 30, 2016)
 - *Fairwarning IP v. Iatric Systems* (October 11, 2016)
 - *Synopsys v. Mentor Graphics Corp.* (October 17, 2016)
 - ***Amdocs (Israel) Ltd. v. Openet Telecom, Inc.* (November 1, 2016)**
 - *Apple v. Ameranth* (November 29, 2016)
- Non-precedential with written opinion
 - *Shortridge v. Foundation Construction Payroll Service, LLC* (July 12, 2016)
 - *Lendingtree, LLC v. Zillow* (July 25, 2016)
 - *In re Chorna* (August 10, 2016)
 - *TDE Petroleum Data Solutions v. AKM Enterprise* (August 15, 2016)
 - *Tranxition v. Lenovo (United States) Inc.* (November 16, 2016)
 - ***Trading Technologies Int'l Inc. v. CQG, Inc.* (January 18, 2017)**
 - *Evolutionary Intelligence, LLC v. Sprint Nextel Corp.* (February 17, 2017)

Summary of Judicial Developments

Federal Circuit

- 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)
 - *Kombea Corp. v. Noguera L.C.* (September 8, 2016)
 - *Capital Dynamics v. Cambridge Associates, LLC* (September 9, 2016)
 - *Novo Transforma Tech., LLC v. Sprint Spectrum, L.P.* (September 23, 2016)
 - *Broadband ITV, Inc. v. Hawaiian Tecom, Inc.* (September 26, 2016)
 - *Concaten, Inc. v. Ameritrak Fleet Solutions, LLC* (October 11, 2016)
 - *GT Nexus, Inc. v. INTRRA, Inc.* (October 11, 2016)
 - *Fairwarning IP, LLC v. Cynergistek Inc.* (October 11, 2016)
 - *In re Villena* (October 13, 2016)
 - *Data Treasury Corp. v. Fidelity National Information Services* (October 13, 2016)
 - *Blue Spike v. Google* (October 14, 2016)
 - *Netflix, Inc. v. Rovi Corp.* (November 7, 2016)
 - *American Needle, Inc. v. Zazzle, Inc.* (November 10, 2016)
 - *Personalized Media Communications, LLC. v. Amazon.com* (December 7, 2016)
 - *MacroPoint, LLC. v. Fourkites, Inc.* (December 8, 2016)
 - *Voxathon v. FCA US* (December 9, 2016)
 - *America's Collectibles Network v. The Jewelry Channel, Inc. USA* (January 11, 2017)
 - *HealthTrio, LLC v. Aetna, Inc.* (January 18, 2017)
 - *Appistry, LLC. v. Amazon.com* (February 10, 2017)
 - *Appistry, LLC. v. Amazon.com* (February 10, 2017)

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
 - Held at 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

Alexandria Roundtable

- On November 14, 2016, the Office hosted a roundtable in Alexandria with 35 speakers including industry representatives and IP practitioners.
- The agenda for the event, presentations and forthcoming transcript are found at <https://www.uspto.gov/patent/patent-subject-matter-eligibility-roundtable-1>

Next Steps

- Continue to monitor judicial developments
- Revision to the MPEP incorporating the Office's current subject matter eligibility guidance
- 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

Stanford Roundtable

- On December 5, 2016, the Office hosted a roundtable at Stanford University with 35 speakers including industry representatives, academics, and IP practitioners.
- In addition, 25 written comments were submitted by a diverse group including company representatives, bar associations, and academics.
- The agenda for the event, presentations, written comments, and transcript are found at <https://www.uspto.gov/patent/initiatives/patent-subject-matter-eligibility-roundtable-2>

Stanford Roundtable Follow-Up

- Continue to monitor judicial developments
- Review written comments and transcript
- Issue summary of comments received

Questions and Comments

Robert Bahr

Deputy Commissioner for Patent Examination Policy

(571) 272-8800

Robert.Bahr@USPTO.GOV

Mary Critharis

Senior Patent Counsel, Office of Policy and International Affairs

(571) 272-9300

Mary.Critharis@USPTO.GOV



