

## Comments on "May 2016 Subject Matter Eligibility Update"

(I) Thank you very much for the opportunity to submit our comments again on the Subject Matter Eligibility Update.

At the time of "July 2015 Update on Subject Matter Eligibility" last year, AIPPI JAPAN submitted the following comments:

(i) We requested the USPTO to consider adopting a practice to prevent the examiner from finding claims to be directed to an abstract idea based solely on the Quick Reference Sheet, without adequate understanding of the case law precedents; and

(ii) In relation to Step 2B, we commented that we were concerned about a possible increase in cases of a rejection made by the examiner based on "his or her expertise in the art," not on evidence, without explaining clearly why the additional elements do not amount to "significantly more." To address this concern, we suggested that the examiner be obliged to clearly present a *reasoned rationale* for such a conclusion, which would allow the applicant to argue effectively against the rejection.

According to our understanding, the underlined words shown below have been included into the current update in response to our comments:

- When an examiner determines that a claim is directed to an abstract idea in Step 2A, he or she should explain why the claimed invention corresponds to a concept of an abstract idea identified by the courts and cite an appropriate court decision as a best practice;

- In Step 2B, an examiner considers the additional elements in the claim both individually and in combination to determine whether the claim as a whole recites eligible subject matter. When making a rejection based on his or her expertise in the art, the examiner should provide a reasoned explanation so that the applicant can effectively respond; and

- An examiner must carefully consider the applicant's response to a §101 rejection. If the examiner deems it appropriate to maintain the rejection, this must be explained in detail in the next Office action (e.g. by adding explanation of a court case in which a concept is

identified as an abstract idea. The examiner should also consider whether to provide rebuttal evidence to support the rejection.).

We are really grateful that our previous comments have been taken into consideration in the latest update "May 2016 Update." We would like to make the following comments on the latest update, which, we hope, will contribute to further improvements in the practices related to Subject Matter Eligibility issues.

### **(II) Comments on Step 2B**

The latest update "May 2016 Update" states that an examiner must provide a "reasoned explanation" if he or she makes a rejection relying on "his or her expertise in the art." It also states that a prior art search should not be necessary when the examiner makes a rejection by concluding that an additional element is well-understood, routine, conventional activity based on his or her expertise in the art.

However, a vague standard for being "reasoned" may cause inconsistency in the explanations about rejections among examiners. Therefore, we propose to include an example or examples of a "reasoned explanation" in the next update of the guidance. For example, as a "reasoned explanation," it is proposed to note that an examiner is encouraged to refer to a prior art reference which is known to him or her and relevant to an eligibility discussion (even though a prior art search has not been conducted) in a first action, instead of providing the reference as rebuttal evidence at the time of evaluation of the applicant's response to the first action.

### **(III) Comments on Step 2A and *Enfish* Decision**

The memorandum dated May 4, 2016 states, at the beginning of Section II, "after determining what the applicant invented and establishing the broadest reasonable interpretation of the claimed invention, the eligibility of each claim should be evaluated as a whole using the two-step analysis... ." Thus, we understand that this requires an examiner to establish the BRI before the two-step analysis.

In the *Enfish* decision, on the other hand, the court also looked to the teachings of the specification to determine whether the focus of the claims is directed to an abstract idea

(Step 2A), according to the memorandum dated May 19, 2016. The memorandum says in the 2nd paragraph (page 1, paragraph 1) that a filter is applied to claims, when interpreted in view of the specification, based on whether their character as a whole is directed to a patent ineligible concept. In the 4th paragraph (page 2, paragraph 1), it seems that the claim element relating to a computer memory including the self-referential table is identified as the focus of the claims.

We respectfully request that the USPTO clarifies whether there is any relationship and/or distinction between the BRI established before the two-step analysis and the way to identify "the focus of the claims (or the claimed invention)" in Step 2A. For example, though MPEP 2111 emphasizes that claims must be given their broadest reasonable interpretation in light of the specification, we are uncertain whether an examiner is required to review the specification in a way apart from the BRI when he or she determines the focus of the claims as discussed in the *Enfish* decision.

We also respectfully request that the USPTO clarifies whether "the focus of the claims" should be identified in each claim as a whole and/or in each claim element.

In connection with the above, it is helpful if the USPTO provides us with some examples or clarifications on whether a claim will be found to be eligible in Step 2A when it contains a mathematical equation but an element other than the equation is identified as "the focus of the claims." Moreover, it is also helpful if the USPTO provides us with some examples or clarifications on whether "the focus of the claims" can be recited in a form of a mathematical equation since the Quick Reference Sheet of the "July 2015 Update" explains that the "Mathematical Relations/Formulas" will be regarded as abstract ideas in many cases.

#### **(IV) Comments on Subject Matter Eligibility Test Flowchart**

In the current test flowchart for Subject Matter Eligibility, there are only two options "Yes or No" for the test result of Step 2A.

However, in the decision on the *Enfish* case (page 18, 3rd paragraph, lines 4 through 9), the court states:

*"We recognize that, in other cases involving computer-related claims, there may be close*

*calls about how to characterize what the claims are directed to. In such cases, an analysis of whether there are arguably concrete improvements in the recited computer technology could take place under step two."*

It can be understood from this that if it is difficult to determine whether a claim is directed to a judicial exception in Step 2A, one can proceed to Step 2B.

We respectfully request that the USPTO reviews consistency between the flowchart and the *Enfish* decision and make necessary amendment. More specifically, we suggest the USPTO consider adding other option(s) than "Yes or No" to the test result of Step 2A in the flowchart and adding an explanatory note on an analysis to be conducted in Step 2B when there are "close calls" in Step 2A.

Further, if an examiner determines that there are close calls in Step 2A and conducts an analysis in Step 2B without a conclusion on Step 2A, we are concerned that an applicant may not understand why the examiner determines that there are close calls in Step 2A. Therefore, we respectfully request the USPTO to provide in the guidance that the examiner should inform the applicant of the reason why he/she determines that there are close calls in Step 2A.

#### **(V) Request for Additional Examples**

In the current update, examples in the life science area have been added. We hope that there will be more examples of computer-implemented inventions.

The current update emphasizes that an examiner should consider the additional elements both individually and as a combination in Step 2B, whereas in the *Enfish* decision, the subject matter is found to be patent eligible in Step 2A.

To allow an examiner and an applicant to easily understand how eligibility is analyzed in Steps 2A and 2B respectively, we request that the USPTO provide more examples showing a claim whose subject matter is found to be eligible when the additional elements are considered both individually and as a combination in Step 2B and a claim whose subject matter is found to be eligible in Step 2A.

## **(VI) Further Memorandums**

We are grateful that the USPTO has swiftly took action and issued additional memorandums after the Supreme Court and the CAFC made notable decisions on §101, including the latest memorandum relating to the Recent Subject Matter Eligibility Rulings (*Rapid Litigation Management v. CellzDirect and Sequenom v. Ariosa*) dated July 14, 2016. We believe that those memorandums facilitate smooth examination based on additional information and clarification derived from the recent rulings.

Therefore, we respectfully request that the USPTO continues the same when further information and clarification becomes available through recent and future rulings by the courts. For example, among other recent rulings, we understand that the decision on *Bascom Global Internet Services, Inc. v. AT&T Mobility LLC*. may provide some information and clarification relating to step two of the *Alice* test (Step 2B in the USPTO flowchart).

## **(VII) Notifications about Latest Materials**

We understand that the USPTO has uploaded new materials relating to subject matter eligibility from time to time at the special web page of the USPTO website. Though major updates were outstandingly announced, it appears that the other materials such as memorandums and workshop materials have been uploaded without notice. We believe that every new material including the memorandums as mentioned above can be informative for applicants and stakeholders; therefore, we propose that the USPTO starts a mail service or the like specialized in the latest updates regarding the 2014 Guidance on Subject Matter Eligibility and the other related web pages.