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January 12, 2017

Via Email

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The Honorable Michelle K. Lee
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
United States Patent and Trademark Office
600 Dulany Street
Alexandria, VA 22314

**Re: Request for Comments on 2014 Interim Guidance
on Patent Subject Matter Eligibility**

Dear Under Secretary Lee:

Howard & Howard Attorneys PLLC greatly appreciates the opportunity to provide comments on improving the USPTO's Interim Guidance on Patent Subject Matter Eligibility ("Interim Guidance"). We commend the USPTO for conducting the Patent Subject Matter Eligibility Roundtables on November 14, 2016 and December 5, 2016.

Howard & Howard Attorneys PLLC is a national law firm that has developed a premier Intellectual Property Group with significant patent prosecution experience at the USPTO. We have over 25 registered patent attorneys that have prosecuted patent applications in several USPTO technology centers representing clients in technology areas such as e-commerce, gaming, automotive, medical devices, and the chemical arts. Patent eligibility under 35 U.S.C. §101 and in particular the judicially-created "abstract idea" exception are issues of great importance to our clients.

We respectfully offer our views on areas of the USPTO's Interim Guidance that would benefit from clarification, with particular focus on the analysis being conducted by Examiners using the *Alice/Mayo* test to determine whether a claimed invention falls within the Supreme Court's judicially excepted category of abstract ideas.

I. The Subjective Eligibility Analysis outlined in the Interim Guidance produces inconsistent decisions that are not supported by proper evidence.

The current analysis outlined in the Interim Guidance for determining subject matter eligibility under the *Alice/Mayo* test has created challenges in providing consistent analysis across Art Units and between Examiners.

These challenges extend from the subjective nature of the current analysis outlined in the Interim Guidance that requires Examiners to: 1) compare claimed inventions to “concepts” of abstract ideas; and 2) rely on the Examiner’s expertise of what one of ordinary skill in the art would consider to be well-known, routine, and conventional in the art. This allows Examiners to make subjective determinations on subject matter eligibility without supporting these determinations with proper documentary evidence.

For example, under Step 2A of the analysis described in the Interim Guidance, Examiners are required to compare “concepts” of abstract ideas to the claimed inventions, and provides a listing of phrases used to describe these “concepts” (see for example, *July 2015 Update: Interim Eligibility Guidance Quick Reference Sheet* and *December 2016: Interim Eligibility Guidance Quick Reference Sheet Decisions Holding Claims Eligible*). This requires a subjective determination of what these “concepts” were intended by the courts to describe and how these “concepts” compare to the examined claims.

In addition, under Step 2B, Examiners are instructed to rely on their own expertise in determining what one of ordinary skill in the art would recognize as being well-known, routine, and conventional, without requiring supporting evidence. This results in assertions being made by the Examiners without the support of proper documentary evidence such as, for example, prior art references.

These subjective determinations result in conclusory statements lacking articulated reasoning supported by case law and/or prior art references, which prevents Applicants from presenting proper claim amendments to support subject matter eligibility and/or presenting reasoned arguments clarifying what one of ordinary skill in the art would have known at the time the invention was conceived.

An example of this subjective analysis can be found in the recently issued Example 35. Verifying A Bank Customer’s Identity To Permit An ATM Transaction. The analysis of the hypothetical claims under Step 2A appears to conclude that the claimed method is directed to an abstract idea because “*Fraud prevention by verifying the identity of the customer is as fundamental to business as the economic concepts that were identified as abstract ideas by the Supreme Court, such as intermediated settlement (Alice Corp.) and risk hedging (Bilski)*.” The analysis does not make clear why an invention that is fundamental to business would be considered to be directed to an abstract idea under the *Alice* analysis. In addition, the analysis states that the hypothetical claims are similar to the claimed invention in *Cyberphone* without any discussion of the claims-at-issue in *Cyberphone* or any comparison with the hypothetical claimed elements, or any articulated reasoning as to why there is no meaningful distinction between the invention described in the hypothetical claims and the invention described in the claims-at-issue in *Cyberphone*.

A review of the *Alice* decision does not support this type of subjective analysis. In *Alice*, the Court was careful not to attempt to define “concepts” of abstract ideas that are excluded from patent eligibility “*lest it swallow all of patent law*”, recognizing that all inventions rest upon abstract ideas

at some level. Rather, the Supreme Court engaged in an objective analysis to compare the claims-at-issue with the claims involved in the Court's prior decisions.

For example, the Court compared the claims-at-issue with the claims of four previous cases including *Benson*, *Flook*, *Diehr*, and *Bilski*. The Court ultimately determined that there was no meaningful distinction between the claims-at-issue in *Alice* and the claims in *Bilski* sufficient to find the claims-at-issue in *Alice* to be directed to an abstract idea.

Accordingly, it is recommended that the Interim Guidance be revised to describe an objective analysis to be performed when using the *Alice/Mayo* test that is supported by a claim-by-claim analysis and proper documentary evidence. This objective analysis should include: 1) a claim-by-claim comparison of the claims of prior court cases with the examined claims; and 2) a determination of what one of ordinary skill in the art would have considered well-known, routine, and conventional at the time of the invention, that is supported by documentary evidence such as, for example, prior art references and/or relied upon facts of prior court decisions.

II. An Objective Eligibility Analysis should be conducted when using the *Alice/Mayo* Test for Subject Matter Eligibility.

The following is an outline for an objective eligibility analysis that should be performed when using the *Alice/Mayo* test for subject matter eligibility. The objective eligibility analysis outlined below conforms to the analysis conducted by the Supreme Court in *Alice*, and requires Examiners to support the determinations made using the *Alice/Mayo* test with documentary evidence.

Step 2A – Identify claims in prior court cases that are substantially similar to the examined claims.

- 1) Review precedential court cases determining subject matter eligibility under Section 101;
- 2) Select a court case involving a patent or patent application describing an invention that is similar to the invention described by the examined claims;
- 3) Analyze the recited claim elements to identify similarities and differences between the prior claim limitations and the examined claim limitations;
- 4) Determine whether there is no meaningful difference between the prior claimed invention and the examined claimed invention based on identified similarities and differences of the recited claim limitations; and
- 5) Provide articulated reasoning identifying similarities and differences between the prior claimed invention and the examined claimed invention.

Step 2B – Determine what one of ordinary skill in the art at the time of the invention would have considered to be well-known, routine, and conventional.

- 1) Determine the level of ordinary skill in the art;
- 2) Determine what one of ordinary skill in the art would have known at the time of the invention;

- 3) Determine whether each individual claim element would be considered well-known, routine, and conventional to one of ordinary skill in the art at the time of the invention;
- 4) Determine whether the combination of claimed elements would be considered well-known, routine, and conventional to one of ordinary skill in the art at the time of the invention; and
- 5) Provide articulated reasoning supported by documentary evidence including:
 - a) Prior Art References, including corresponding descriptions of the claimed elements and reasons why one of ordinary skill in the art would have considered the claimed elements to be well-known, routine, and conventional in view of the prior art reference; and
 - b) Prior Court Cases, including relied upon facts, such as claim elements identified by the court as being well-known, routine, and conventional at the time of the invention.

Prima Facie case must be established before Section 101 rejection may be made.

- 1) Rejections under Section 101 should not be made if the claimed invention is *more likely than not* to be significantly more than the abstract idea.
 - a) MPEP 2106, paragraph III – Patent Subject Matter Eligibility, Establish on the Record a *Prima Facie* Case states, “*If the record as a whole suggests that it is more likely than not that the claimed invention would be considered significantly more than an abstract idea, natural phenomenon, or law of nature, then USPTO personnel should not reject the claim.*”

III. Suggested revisions to the Interim Guidance.

The following changes to the Interim Guidance are suggested to support the objective eligibility analysis outlined above.

Revisions to Interim Guidance Materials:

- 1) Revise Interim Guidance to include the Objective Eligibility Analysis.
- 2) Revise Examples to conform to the Objective Eligibility Analysis including:
 - a) Step 2A – support analysis with:
 - i) Identifying selected court case: and
 - ii) Providing claim-by-claim analysis of examined claim limitations and claims-at-issue in the selected prior court case.
 - b) Step 2B – support conclusion with documentary evidence, such as prior art references.
- 3) Remove listing of abstract idea “concepts” from the July 2015 Update: Interim Eligibility Guidance Quick Reference Sheet and the December 2016: Interim Eligibility Guidance Quick Reference Sheet Decisions Holding Claims Eligible.
- 4) Revise spreadsheet of court cases to include the claim limitations at issue in each case.

Additions to Interim Guidance materials:

- 1) Include references to relevant MPEP Sections to support the Objective Eligibility Analysis:
 - a) Supporting *Prima Facie* Case
 - i) MPEP 2106, paragraph III - *Patent Subject Matter Eligibility, Establish on the Record a Prima Facie Case.*
 - ii) MPEP 2142 - *Legal Concept of Prima Facie Obviousness*
 - b) Identifying Prior Art References
 - i) MPEP 2141.01 - *Scope and Content of the Prior Art*
 - c) Determining the level of ordinary skill in the art
 - i) MPEP 2141.03 - *Level of Ordinary Skill in the Art*
 - d) Determining well-known, routine, and conventional elements
 - i) 2144.03 - *Reliance on Common Knowledge in the Art or "Well-known" Prior Art*
 - e) Relying on Prior Court Decisions
 - i) MPEP 2144, paragraph III - *Supporting a Rejection Under 35 U.S.C. 103, Legal Precedent can provide the rationale supporting obviousness only if the facts in the case are sufficiently similar to those in the application.*

IV. The Objective Eligibility Analysis should be adopted through the rule-making authority of the USPTO.

The Objective Eligibility Analysis outlined above, along with the revisions/additions to the Interim Guidance, should be adopted by the USPTO through its rule making authority. This will allow stakeholders to view a complete analysis, along with accompanying changes to the MPEP to provide relevant public comment.

Conclusion


In conclusion, Howard & Howard Attorneys PLLC would again like to commend the USPTO for its efforts in developing the Interim Guidance on Patent Subject Matter Eligibility, and greatly appreciate the opportunity to provide these comments. We would be pleased to answer any questions you may have.

Respectfully submitted,

HOWARD & HOWARD ATTORNEYS PLLC

January 12, 2016

Date


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