FÉDÉRATION INTERNATIONALE DES CONSEILS
EN PROPRIÉTÉ INTELLECTUELLE

INTERNATIONAL FEDERATION OF
INTELLECTUAL PROPERTY ATTORNEYS

INTERNATIONALE FÖDERATION
VON PATENTANWÄLTEN

Julian Crump
President
c/o Abel & Imray
Westpoint Building
James Street West
Bath BA1 2DA
t. +44 1225 469914
julian.crump@ficpi.org

March 7, 2019

The Honorable Andrei Iancu
Under Secretary of Commerce for Intellectual Property and
Director of U.S. Patent and Trademark Office
U.S. Patent and Trademark Office
600 Dulany Street
Alexandria, VA 22314

Attn: June E. Cohan, Senior Legal Advisor,
Carolyn Kosowski, Senior Legal Advisor,
Via email: eligibility2019@uspto.gov

RE \\ FICPI Comments on 2019 Revised Patent Subject Matter Eligibility Guidance

Dear Under Secretary Iancu,

Fédération Internationale des Conseils en Propriété Intellectuelle (FICPI)[1] is pleased to have the opportunity to comment on the United States Patent and Trademark Office ("USPTO") 2019 Revised Patent Subject Matter Eligibility Guidance published ("the 2019 Guidance") in the Federal Register at 83 FR 50 on January 7, 2019.

FICPI agrees with the USPTO that there has been considerable legal uncertainty surrounding 35 U.S.C. Section 101 and the application of the framework for evaluating subject matter eligibility following the U.S. Supreme Court's holding in *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208, 217–18 (2014). FICPI applauds the USPTO's continued efforts to address this legal uncertainty by providing guidance to patent examiners and to the public to clarify the metes and

[1] Founded over 100 years ago, in 1906, FICPI now has more than 5,000 members in more than 80 countries and regions on six continents. FICPI is unique, being the only international non-governmental organization whose membership consists exclusively of IP attorneys in private practice. FICPI represents an important constituency within the international IP system. FICPI members represent their clients in patent, trade mark and design matters, and related forms of IP, at the national, regional and international levels. Clients of FICPI members range from individuals and SMEs to multi-national industries, as well as universities, governmental and non-governmental organizations and other institutions, who are applicants and non-applicants alike.

FICPI aims to enhance international cooperation within the profession of IP attorneys in private practice and to promote the training and continuing education of its members and others interested in IP protection. FICPI members have assisted in the drafting of IP laws and treaties and seeks to offer well balanced opinions with regard to newly proposed international, regional or national legislation or practice guidelines on the basis of a wide range of different kinds of client knowledge, experience and business needs of the IP system.

bounds of patent-eligible subject matter in view of *Alice* and related cases[2]. In previous comments to the USPTO on this subject (Comments on *Guidance For Determining Subject Matter Eligibility Of Claims Reciting Or Involving Laws of Nature, Natural Phenomena, & Natural Products (*"Guidance"*)*, issued by the USPTO on March 4, 2014), FICPI cautioned that over-application of the *Mayo* and *Myriad* cases could discourage foreign entities from pursuing patent protection in the U.S., and discourage the investment in research by U.S. entities who would no longer be entitled to the reward of a limited period of protection for potentially life-enhancing, if not life-saving inventions. FICPI also noted the necessity for consistency with the Agreement on Trade-Related Aspects of Intellectual Rights (TRIPs), which defines the minimum standards for intellectual property rights in over 170 countries. TRIPs requires that:

> *...patents shall be available for any inventions, whether products or processes, in all fields of technology, provided that they are new, involve an inventive step and are capable of industrial application... patents shall be available and patent rights enjoyable without discrimination as to the place of invention, the field of technology and whether products are imported or locally produced.*

Article 27(1).

Since the 2014 Guidance, the USPTO has made considerable efforts to provide a more tailored framework for examining subject matter eligibility that is still consistent with U.S. Supreme Court precedent. The USPTO has provided a "two-step" analysis for subject matter eligibility in which Step 1 confirms that the claims are directed to a process, machine, manufacture or composition of matter, and Step 2A asks if the claim is directed to a judicial exception, namely a law of nature, natural phenomenon or abstract idea. If so, the analysis proceeds to Step 2B to determine whether the claim recites additional elements that amount to "significantly more" than the judicial exception. In the Memorandum from Robert W. Bahr to the Patent Examining Corps dated April 19, 2018 entitled "Changes in Examination Procedure Pertaining to Subject Matter Eligibility, Recent Subject Matter Eligibility Decision (*Berkheimer v. HP, Inc.*)" ("the *Berkheimer* Memo"), the USPTO provided additional guidance on step 2B. While the *Berkheimer* Memo was helpful in defining several bases (express statements in the application or prosecution, or citations to court decisions or publications demonstrating that a claim element was well-understood, routine and/or

[2] Related cases including *Mayo Collaborative Services v. Prometheus Laboratories, Inc*., 566 U.S. ___, 132 S. Ct. 1289, 101 USPQ2d 1962 (2012); *Association for Molecular Pathology v. Myriad Genetics, Inc.,* 569 U.S. __, 133 S. Ct. 2107, 106 USPQ2d 1972 (2013).

conventional) on which the Examiner could rely to reject claims as not providing "significantly more" than the judicial exception, the *Berkheimer* Memo also gave the Examiner an "out" – namely, the opportunity to perhaps subjectively take official notice based on his/her own personal experience that an element was well-understood, routine and/or conventional.

FICPI is pleased that the 2019 Guidance may help applicants to avoid what might be subjective official notice at Step 2B by breaking Step 2A into two "prongs", wherein Prong One provides three groupings of abstract idea exceptions: (a) mathematical concepts (mathematical relationships, mathematical formulas or equations, mathematical calculations); (b) certain methods of organizing human activity (fundamental economic principles or practices [including hedging, insurance, mitigating risk]); commercial or legal interactions [including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations]; managing personal behavior or relationships or interactions between people [including social activities, teaching, and following rules or instructions]); and (c) mental processes (concepts performed in the human mind [including an observation, evaluation, judgment, opinion.])

Under the 2019 Guidance, if the Examiner determines that the claim recites one of these abstract idea exceptions, then the analysis proceeds to Prong Two, wherein the examiner must "evaluate whether the claim as a whole integrates the recited judicial exception into a practical application of the exception." Such a claim relies upon or uses the "judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception." If the additional claim elements do not integrate the exception into a practical application, then the analysis proceeds to Step 2B, wherein the Examiner determines whether the claim provides "significantly more" than the judicial exception. However, if the claim indeed integrates the judicial exception into a practical application, then the analysis ends at Step 2A, and the claim is subject matter-eligible.

FICPI agrees that Prong Two of Step 2A is a useful and meaningful consideration for the Examiner if properly applied, and provides a more tailored approach to the eligibility analysis that is consistent with precedent, while not over-reaching and thus precluding protection for and investment in innovation.

However, FICPI notes that the USPTO has also included in the 2019 Guidance another "out" for the Examiner at Prong One of Step 2A, which could also be misused if not properly applied. The 2019 Guidance allows the Examiner to identify a "rare circumstance" where he/she believes a claim limitation does not fall within the enumerated groupings of abstract ideas, but nonetheless should be treated as reciting an abstract idea. FICPI is concerned that, like the "out" provided to the Examiner in the *Berkheimer* Memo, granting the Examiner the ability to subjectively characterize

a claim limitation as reciting an abstract idea where it does not fall within the enumerated groupings of abstract ideas in Prong One of Step 2A could also result in conclusory findings amounting to an over-reaching application of judicial holdings. However, FICPI acknowledges the requirement in this circumstance for the Examiner to obtain approval from the Technology Group Director, and is optimistic that this procedure should obviate any abuse of the "rare circumstance" exception.

FICPI thanks the USPTO for providing the 2019 Guidance, and for the opportunity to provide comments on the same. FICPI is hopeful that examiner training on the 2019 Guidance will sustain the proper and consistent application of precedent in accordance with the admirable efforts of the USPTO to grant patent protection to deserving inventions.

Sincerely,

Julian Crump
President
Fédération Internationale des Conseils en Propriété Intellectuelle