

March 8, 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

*Via email: Eligibility2019@uspto.gov*

**Re: Comments on 2019 Revised Patent Subject Matter Eligibility Guidance**

Dear Under Secretary Iancu:

Ericsson is very pleased to take this opportunity to comment on the 2019 Revised Patent Subject Matter Eligibility Guidance, Docket No. PTO-P-2018-0053 (“2019 Guidance”).

A leading innovator in global telecommunications, Ericsson’s interest in the 2019 Guidance stems from its commitment to research and development and patent protection thereof. Ericsson is a world leader in the rapidly changing environment of communications technology – developing and providing hardware, software, and services that enable the full value of connectivity. With 95,000 employees worldwide, 24,800 of whom are focused on research and development, Ericsson is a pivotal player in the markets associated with the next generation of cellular technology, known as 5G, and has influenced the technology in 5G over the years more than any other contributor.

Ericsson’s activities span the globe, with customers in more than 180 countries. In the United States, Ericsson employs more than 10,000 people and supplies standards-compliant network equipment and/or services to every major U.S. telecommunications operator from its offices in California, Colorado, the District of Columbia, Georgia, Illinois, Kansas, New Jersey, New York, Texas, and Washington, among others. Approximately 15% of Ericsson’s annual global revenue is invested in research and development, totaling tens of billions of dollars over the past few years. As a result, Ericsson has one of the industry’s strongest intellectual property portfolios, which includes more than 49,000 granted patents worldwide.

On January 7, 2019, the USPTO issued its latest guidance, the 2019 Guidance, on subject matter eligibility under 35 U.S.C. § 101. The 2019 Guidance notes that properly applying the *Alice/Mayo* test in a consistent manner has proven difficult and, in turn, has caused legal uncertainty. The 2019 Guidance revises the procedure for determining eligibility under § 101 to provide more consistency, clarity, and predictability for all patent stakeholders. As it is binding on all employees at the USPTO, it will provide more uniformity on handling § 101 issues at both the PTAB and during examination across the different examining Tech Centers of the Office.

Ericsson applauds the USPTO’s efforts in addressing these examination challenges and restoring certainty to the patent examination process. Specifically, Ericsson supports the 2019 Guidance, as it provides clearer guidelines that are consistent with Supreme Court precedent and establishes a more structured approach for examiners to follow when analyzing claims for patent subject matter eligibility.

The first change of the 2019 Guidance is to provide groupings of subject matter that is considered an abstract idea. The 2019 Guidance provides that mathematical concepts, certain methods of organizing

human behavior, and mental processes comprise the groupings for an abstract idea. While more examples drawn to what is, and what is not, an abstract idea may be helpful, Ericsson finds these groupings to be an improvement over the existing ways of analyzing whether something is an abstract idea. The 2019 Guidance provides a clearer, more objective guidance to examiners of the proper scope of abstract ideas, in line with judicial precedent. Since these groupings attempt to clarify the scope of abstract ideas based on case law, Ericsson recognizes that these groupings and/or their explanations may need to be refined and updated over time, in line with developing case law and advancements in technology.

The second change of the 2019 Guidance is to clarify that claims are not “directed to” a judicial exception if that exception is integrated into a practical application of the exception. Ericsson supports this change, as it provides more objective guidance and focuses on the distinction, supported by court precedents, between principles themselves, and the integration of those principles into practical applications. If properly applied, this portion of the 2019 Guidance should reduce the number of improper § 101 rejections as the practical application of the exception would not preempt basic science. Additionally, the focus in this section on the language of the “claim as a whole” is helpful, as it prevents over-generalization or abstraction of claims. It requires the examiner to analyze the entire claim and not just one section of it. This is particularly helpful when there are a series of steps in a process claim or several combined elements in a product claim.

While Ericsson believes the 2019 Guidance will address many of these issues, we recognize that courts may still issue conflicting decisions regarding eligibility. The guidance is not binding on the courts, but it would be beneficial if they were to adopt it too, as certainty is badly needed. Ultimately, however, legislative change may be necessary to address these eligibility concerns and restore lasting clarity on patent eligibility.

Ultimately, like all patent stakeholders, Ericsson seeks greater certainty, consistency, and predictability regarding patent subject matter eligibility. The 2019 Guidance provides improvements in each of those categories and benefits patent holders, patent examiners, and the public as a whole. You are to be applauded for tackling patent eligible subject matter issues and providing a clear and understandable test.

Thank you for your kind consideration of our Ericsson-drafted comments. We look forward to continuing to work together to improve the patent system for the benefit of patent holders, technology users and the U.S. economy as a whole.

Sincerely,

/s/ Brian Kearns

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