

**AMERICAN BAR ASSOCIATION****Section of Intellectual Property Law**

321 North Clark Street  
Chicago, IL 60654-7598  
(312) 988-6254

FAX: (312) 988-6800

E-mail: [iplaw@americanbar.org](mailto:iplaw@americanbar.org)  
[www.americanbar.org/iplaw](http://www.americanbar.org/iplaw)

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Legislative Consultant

Washington, DC  
[hayden.gregory@americanbar.org](mailto:hayden.gregory@americanbar.org)

July 22, 2014

**Via e-mail: [alice\\_2014@uspto.gov](mailto:alice_2014@uspto.gov)**

Margaret Focarino  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Re: Request for Comments on Examination Instruction and Guidance  
Pertaining to Patent-Eligible Subject Matter, 79 Fed. Reg. 36786  
(June 30, 2014)

Dear Commissioner Focarino:

I am writing on behalf of the American Bar Association Section of Intellectual Property Law (the "Section") to provide comments on the "Preliminary Examination Instructions in view of the Supreme Court Decision in *Alice Corporation Pty. Ltd. v. CLS Bank Intl., et al.*" ("Examination Instructions") in response to the request the United States Patent and Trademark Office (the "Office" or the "USPTO") published in the Federal Register on June 30, 2014.

As the Examination Instructions are preliminary, so, too, are our comments. The Section encourages the Office to continue to involve stakeholders as the Office prepares the next round of examination guidance on the *Alice Corp.* decision. The Section and its members are available to the Office for roundtables or initiative meetings and would welcome the opportunity to provide assistance to the Office.

The Section supports the Office's efforts to issue prompt instructions to the Patent Examining Corps to help avoid confusion and misapplication of the law. In particular, the Section appreciates that the Examination Instructions make clear that "*Alice Corp.* neither creates a *per se* excluded category of subject matter, such as software or business methods, nor imposes any special requirements for eligibility of software or business methods."

## I. Two-part Analysis for Abstract Ideas

*Alice Corp.* applied the two-part, *Mayo* test for patent-eligibility:

**Part 1:** Determine whether the claim is directed to an abstract idea.

First, the Section agrees with the Office that “at some level, all inventions embody, use, reflect, rest upon or apply abstract ideas and the other exceptions. Thus, an invention is not rendered ineligible simply because it *involves* an abstract concept.” Examination Instructions, p. 2 (emphasis added). Further, the Section agrees with the Office that “inventions that integrate the building blocks of human ingenuity into something more by *applying the abstract idea in a meaningful way are eligible.*” *Id.* (emphasis added). It is appropriate and helpful that the Office provide the Patent Examining Corps with these initial cautions, to avoid any unsupported application of the *Alice Corp.*’s fact-specific conclusion to all software-based inventions.

Although the Court provides several examples in *Alice Corp.* where the Court found a claim was directed to an “abstract idea,” the Court did not outline a concrete test for identifying an “abstract idea.” In this regard, the holding in *Alice Corp.* is limited in scope. The Section recognizes that the absence of a clear-cut test will present difficulties for the Patent Examining Corps as they attempt to identify whether a claim is directed to an “abstract idea.” Nevertheless, the Court’s approach in *Alice Corp.* is not without bounds, and does provide some important guidance. In finding that the concept of intermediated settlement is an abstract idea, the Court relied on the existing evidence in determining that intermediated settlement is “a fundamental economic practice long prevalent in our system of commerce.” *Alice Corp.*, slip op. at 9. Further, it is well established that findings of fact made by the Office must be supported by substantial evidence. *In re Gartside*, 203 F.3d 1305, 1316 (Fed. Cir. 2000).

Accordingly, to the extent that an examiner determines that a claim is directed to an abstract idea that is a “fundamental economic practice,” an “idea itself,” or a “mathematical relationship/formula,” the examiner must support such a finding with existing evidence that is supported by a clear showing on the record. As such, the Section cautions the Office to instruct Examiners to avoid simply stating that a claim is directed to a “fundamental economic principle,” an “idea itself,” or a “mathematical relationship/formula” and is therefore directed to an abstract idea, without also providing examples, supported by substantial evidence, demonstrating that the claimed subject matter is indeed “[a] principle, in the abstract, [ ] a fundamental truth; an original cause; a motive....” See *Alice Corp.*, slip op. at 9 quoting *Le Roy v. Tatham*, 14 How. 156, 175 (1853).

**Part 2:** Determine whether the claim amounts to something “significantly more” than the abstract idea itself.

*Alice Corp.* emphasized that a claim must be directed to something “significantly more” than an abstract idea itself to be a patent-eligible invention. *Alice Corp.*, slip op. at 6. Although the Examination Instructions include several examples from *Alice Corp.* of what constitutes “significantly more,” the Section believes that the Patent Examining Corps would benefit from

more detailed guidance. For example, the Supreme Court in *Alice Corp.* went into detail with respect to Part 2, and used the example of “a computerized method for using a mathematical formula to adjust alarm limits for certain operating conditions” in *Parker v. Flook*, 437 U. S. 584 (1978), as not being sufficient, whereas the use of “a ‘thermocouple’ to record constant temperature measurements inside the rubber mold” in combination with a computer algorithm in *Diamond v. Diehr*, 450 U. S. 175 (1981); did satisfy Part 2. *Alice Corp.*, slip op. at 8, 12-13. Neither example is included in the interim guidance, but both are instructive. The Section recommends that the next round of examination guidance include additional specific and concrete examples of patent-eligible subject matter, such as computer-implemented inventions that improve another technology or technological field.

The Section welcomes the opportunity to work with the Office to give the Patent Examining Corps further guidance on the practical application of both Part 1 and 2 of the test laid out in *Alice Corp.*, and suggests the use of public engagement through roundtables. The Section will continue to review the Examination Instructions and plans to provide the Office with additional comments in the future, including concrete examples to help clarify this otherwise vague two-part test.

Sincerely,



Robert O. Lindefjeld  
Section Chair  
American Bar Association  
Section of Intellectual Property Law