



July 31, 2014

Michelle K. Lee
Deputy Under Secretary of Commerce for Intellectual Property
and Deputy Director of the United States Patent and Trademark Office
600 Dulany Street
P.O. Box 1450
Alexandria, VA 22313
Attention : Caroline Dennison

Via email: alice_2014@uspto.gov

**Re: Comments on Preliminary Examination Instructions in View of
the Supreme Court Decision in *Alice Corp. v. CLS Bank Int'l***

Dear Deputy Director Lee:

Intellectual Property Owners Association (IPO) submits the following comments on the June 25, 2014, Preliminary Examination Instructions in View of the Supreme Court Decision in *Alice Corporation Pty. Ltd. v. CLS Bank International, et al.* responsive to the request published in the Federal Register on June 30, 2014. We appreciate the opportunity to provide these comments.

We also are sending you a related letter today concerning the March 4, 2014, *Mayo-Myriad* instructions that has been reviewed by our Board of Directors. Because of a shorter time period for comment, the present letter has not been reviewed by our Board and expresses tentative IPO viewpoints.

IPO is a trade association representing companies and individuals in all industries and fields of technology who own or are interested in intellectual property rights. IPO's membership includes more than 200 companies and more than 12,000 individuals who are involved in the association either through their companies or through other classes of membership.

In our *amicus* brief to the U.S. Supreme Court in *Alice Corp.*, IPO stated that patent eligibility for computer-implemented inventions is vital to IPO members and the broader U.S. economy. Nearly every economic sector depends on computer-implemented innovations that improve products and services, increase productivity and efficiency, and strengthen competitiveness. The patentability of new and useful technological advancements should not be constrained by overbroad subject matter rejections. Nor should a higher standard of patentability be imposed for computer-implemented inventions than is applied to innovations in other technological fields.

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IPO congratulates you for promptly providing examiners with preliminary examination instructions. We appreciate the Office’s recognition 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. We also appreciate that the preliminary instructions establish that the same analysis should be used for all types of so-called “judicial exceptions” to the statutory categories of patentable subject matter and all categories of claims (e.g., product and process).

We believe the preliminary instructions will be useful to examiners and practitioners. Our comments address some concerns and suggestions we would like the Office to consider in preparing any final instructions.

I. Prima Facie Case of Patent-Ineligible Subject Matter

The final instructions should state that examiners are required to make a detailed *prima facie* showing that each part of the two-part test¹ has been met. Examiners should be instructed to support any conclusions with reasoned logic rather than general statements parroting language from stock rejections. Similar to the detailed analysis required to prove *prima facie* obviousness, it is not enough for an examiner to merely assert that a claim recites an abstract idea and nothing “significantly more.” The USPTO training materials showing examples of improper rejections under section 103 are instructive. In the final instructions, the Office should provide some reliable “indicia of abstractness” to ensure uniform and comprehensive application of the two-part test.

The final instructions should instruct examiners how to analyze subject matter eligibility for all types of claims that contain abstract ideas and include illustrative examples. Moreover, although *Alice Corp.* established that the same analysis should be used for all “judicial exceptions,” the preliminary instructions addressed only abstract ideas. If the final instructions address laws of nature and natural phenomena care should be taken to avoid confusion.

A. Applying Part I of the Two-Part Test

The preliminary instructions properly require that examiners must determine whether a claim is “directed to” an abstract idea in part 1 of the two-part test. Some confusion may arise, though, because the preliminary instructions also tell examiners to proceed to part 2 if an abstract idea is “present” in a claim. The final instructions should clarify only claims that are “directed to” an abstract idea should proceed to part 2 of the test.

In evaluating whether a claim is directed to an abstract idea, the final instructions should caution against conflating section 101 with sections 102 and 103. An examiner should not find that an otherwise patent-eligible business method claim is directed to an abstract idea simply because the examiner believes it is obvious or anticipated. Nor should an examiner too hastily find that a claim is directed to an abstract idea. *Alice Corp.* instructs one to:

¹ “Part 1: Determine whether the claim is directed to an abstract idea.” “Part 2: If an abstract idea is present in the claim, determine whether any element, or combination of elements, in the claim is sufficient to ensure that the claim amounts to **significantly more** than the abstract idea itself.” USPTO memo of June 25, 2014 (emphasis in original).

[T]read carefully in construing this exclusionary principle lest it swallow all of patent law. At some level, all inventions . . . embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas. Thus, an invention is not rendered ineligible for patent simply because it involves an abstract concept.

Alice Corp. (internal citations omitted).

Similarly, examiners should not automatically conclude that any business method or software-related claim is directed to an abstract idea. The preliminary instructions correctly state that *Alice Corp.* did not create a *per se* excluded category of business methods or software, or impose any special requirements for eligibility of business methods or software. The final instructions should emphasize this point and provide examples of business method and software claims that are not directed to abstract ideas.

B. Applying Part 2 of the Two-Part Test

Part 2 of the two-part test instructs examiners, “If an abstract idea is present in the claim, determine whether any element, or combination of elements, in the claim is sufficient to ensure that the claim amounts to **significantly more** than the abstract idea itself.” As previously discussed, the question is not whether an abstract idea is “present,” but whether the claim is “directed to” an abstract idea. Part 2 should be amended accordingly to state, “If the claim is directed to an abstract idea, determine whether any element”

In evaluating whether the claim amounts to “significantly more” than the abstract idea, examiners should again avoid conflating section 101 with sections 102 and 103. To this end, the final instructions should clearly explain what will qualify as significantly more.

Moreover, the final instructions should explain whether “significantly more” is the only criterion for establishing patent-eligibility of a claim directed to an abstract idea. *Alice Corp.* listed other criteria including:

an ‘**inventive concept**’ sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application;

‘**additional features**’ to ensure ‘that the claim is more than a drafting effort designed to monopolize the abstract idea’;

application[s] of such concepts ‘**to a new and useful end**’... remain eligible for patent protection; and

distinguish[ing] between patents that claim the ‘building blocks’ of human ingenuity and those that integrate the building blocks into **something more**, thereby ‘transforming’ them into a patent-eligible invention.”

Alice Corp. (emphasis added) (internal citations omitted).

The preliminary instructions correctly state that, in evaluating whether added limitations qualify as “significantly more,” the claims should be considered as a whole by considering all claim limitations, both individually and in combination. The preliminary instructions provide

three examples of limitations that would qualify as “significantly more”: (1) improvements to another technology or technical field; (2) improvements to the functioning of the computer itself; or (3) meaningful limitations beyond generally linking use of an abstract idea to a particular technological environment.

The final instructions should ideally include even more examples of limitations that would qualify as “significantly more.” The final instructions should also require examiners to identify all claim limitations and articulate detailed reasons why they are not “improvements” under examples (1) or (2) or “meaningful” under example (3).

II. Scope of Examination Under Preliminary Instructions

There is some concern that examiners may be using introductory statements in the preliminary instructions to support claim rejections under section 101. Examiners should avoid extending the scope of the preliminary instructions beyond the two-part test and the precise and narrow holding in *Alice Corp.*

In *Alice Corp.* the Supreme Court stated, “the claims at issue amount to ‘nothing significantly more’ than an instruction to apply the abstract idea...using some unspecified, generic computer.” *Alice Corp.* at 573 U.S.__(2014). This statement is repeated in the introductory section of the preliminary instructions. Examiners should not use this as a basis to reject every claim directed to an abstract idea that includes a generic (or conventional) computer. The statement does not mean that a conventional computer is never significant to the claim as a whole.

III. Miscellaneous Suggestions

The preliminary instructions should remind examiners to avoid focusing on issues of patent-eligibility under section 101 to the detriment of other patentability requirements. Examiners should also be instructed to review the disclosure as a whole and, where appropriate, proactively suggest language that would be acceptable to overcome subject matter rejections.

The Office should implement the final instructions and provide adequate training and resources as soon as possible. We suggest the Office might want to schedule further interactive discussions to address these comments prior to completing the final instructions.

* * *

IPO thanks the USPTO for considering these comments and would welcome any further dialogue or opportunity to provide additional information to assist in the Office’s efforts on this issue.

Sincerely,



Herbert C. Wamsley
Executive Director