

Partnership for American Innovation

July 31, 2014

United States Patent and Trademark Office
Mail Stop Comments
PO Box 1450
Alexandria, VA 22313-1450
Attention: Caroline Dennison

Sent via email: alice_2014@uspto.gov

RE: The Partnership for American Innovation's Comments on the USPTO's Preliminary Examination Instructions Stemming from the *Alice v. CLS* case.

The Partnership for American Innovation (PAI) is pleased to offer the following comments on the United States Patent and Trademark Office's (USPTO) Preliminary Examination Instructions issued on June 25, 2014 stemming from the *Alice v. CLS* case (the "*Alice* Guidelines").

PAI represents a diverse cross section of the economy – from software to manufacturing to pharmaceuticals and household products. Together, PAI companies – Apple, DuPont, Ford, GE, IBM, Microsoft, and Pfizer – invest more than \$40 billion every year in research and development and depend on the patent system to safeguard those investments. PAI R&D supports over 1.2 million jobs and has created iconic products and services that consumers depend on — everything from the light bulb to the iPhone.

The PAI believes protecting intellectual property is essential to America's ability to compete in markets around the world, America's economic growth, and creating American jobs. Innovative companies in the U.S. must be able to protect their investments in cutting-edge research and development to maintain America's economic leadership.

The *Alice v. CLS* case reaffirmed guidance provided by the Court in *Bilski* and *Mayo* related to the abstractness test in section 101. June's decision held that a computer-implemented business method for decreasing settlement risk for trades of financial instruments is too abstract for patenting, stating that "the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention." At the same time, the Court again declined calls for the categorical exclusion of business methods and software, instead articulating generally-applicable principles for assessing whether a patent effectively claims an ineligible "abstract idea" or a practical application of the idea that is appropriate for patenting.

The PAI therefore agrees with the USPTO's general interpretation in the *Alice* Guidelines. We support the USPTO's future enactment of new rules that provide greater clarity on the application of *Bilski* and *Alice* to all patents.

PAI further agrees with the USPTO that "*Alice* 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." Again, the Court simply followed its ruling in *Bilski v. Kappos*: to be

patent-eligible, an innovation must be patent-worthy in and of itself – regardless of the field of the invention. In so doing, the Court maintained fidelity to the purpose of the U.S. patent system – that patentability is awarded based on the merits of the invention at hand, whether for example the medium in which it is built is a concrete structure, ceramic shape, manufacturing apparatus, chemical process, or computer software.

The *Alice* decision reaffirms that within the patent system, computer-implemented inventions are no different than other types of inventions. The distinction between patentable software in *Diamond v. Diehr* and unpatentable software in *Bilski* and *Alice* is not about software at all; rather, the difference is the presence or absence of a definitive invention versus abstraction. *Diehr*'s new and useful process for curing rubber was held to be innately patentable – the fact that it happened to be manifest in software was ancillary.

We support the *Alice* Guidelines and call for their full implementation in a manner that is clear and helpful to examiners, which will require them to apply a rigorous analysis to applications involving software so that rejections under Section 101 are used sparingly. We encourage the USPTO to expand upon the preliminary guidelines and promulgate rules that strike the balance between the much-needed predictability for the patent community, and flexibility to embrace all fields of invention.