

# Memo

**To:** alice\_2014@uspto.gov

**From:** Kristy J. Downing

**Date:** 7/15/2014

**Re:** Commentary on Preliminary Examination Instructions in view of the Supreme Court Decision in *Alice Corporation Pty. Ltd. v. CLS Bank International, et al.*

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This memo is intended to provide feedback on the U.S. PTO memorandum, Preliminary Examination Instructions in view of the Supreme Court Decision in *Alice Corporation Pty. Ltd. v. CLS Bank International, et al.*, published June 25, 2014.

There are several points to consider related to: (1) the verbiage referencing “abstract ideas;” (2) making explicit the scope of the practical uses of what is claimed and the practical uses of the fundamental truth; and (3) a commitment from the Office as to how much unclaimed practical uses an innovation must have outside of any practical uses of the fundamental truth to be considered patent eligible.

**First**, the Examination Instructions reflect a two-part analysis. In Part 1, the instructions instruct to “[d]etermine whether the claim is directed to an abstract idea.” As an initial matter I believe it is improper to instruct examiners to categorize inventions as abstract ideas as a part of their initial review without analysis. First, all inventions are presumed to be patentable and therefore patent eligible. The doctrinal exception to patent-eligibility under §101 is something an opponent to patentability must establish to the requisite level of proof. MPEP 2106. By having examiners initially characterize/mischaracterize an invention as directed to an abstract idea without proof or evidence of the same undermines the burden-shifting structure incumbent with our patent-challenging system. An inquiry may be better worded by asking if the claim “employs an abstract concept” or by asking the converse of an abstraction is claimed, i.e., does the claim employ tangible elements or involve a physical transformation?

Next, by phrasing the instruction for the examiners to “[d]etermine whether the claim is directed to an abstract idea” the inquiry presupposes that which it desires to establish or determine – i.e., whether the invention is patent-eligible or directed instead to a judicial exception, namely an abstract idea. In this way, the instruction is confusing because it requires the examiners to establish something by that which they are seeking to define. “Abstract idea” should be defined by terms other than what the examiners are seeking to establish.

Part 1 of the instruction otherwise starts off in a good direction, that is trying to identify that which may be abstract, but the verbiage is misleading and conclusory. The “examples of abstract ideas referenced in *Alice*” as listed in the guidelines are somewhat helpful. Still, when dealing with patent eligibility we must remember that even technology not yet discovered or science unknown must be accounted for. Of the examples listed, they appear to fall into two categories: 1) a fundamental truth (fundamental economic practices and mathematical relationships) or 2) concepts not involving tangible elements or physical transformations (such as an idea itself or methods of organizing human activities).

I believe Part 1 can be better worded to ask whether the claim employs a fundamental truth or the opposite of an abstract idea, i.e. a tangible element or a physical transformation. See my attached flowchart.<sup>1</sup> What is or is not an abstract concept can be difficult to grasp thus it may be better or simpler to ask in the negative.

**Second**, I think there should be a step between Part 1 & 2. It is important to instruct the examiner to explicitly articulate the scope of the practical use(s) of the claimed innovation so that it may be compared against the ultimate scope of the practical uses of the fundamental truth.

My proposed Part 1.5, if you will, asks the Examiner to determine what the practical use is or, pun intended, utility, of the recited innovation? Even if the examiner initially misinterprets the practical use of the innovation or the fundamental truth by making this analysis explicit the rejection will be more explanatory. In cases where the applicant disagrees with the analysis it will be beneficial to obtain admissions in the prosecution history from the applicant regarding the scope of practical use for either their innovation or the fundamental truth.

In Part 2 of the provided instructions there seems to be an attempt to make the following comparison – the question is posed, whether the non-abstract ideas surmount to “significantly more than the abstract idea.” Instead, the comparison should be made against the practical uses of the recited innovation and all practical uses of the fundamental truth. The judicial exceptions to §101 are aimed at determining whether there is still room left to practice a fundamental truth, for example, after that which is claimed is excluded from the public domain. Certainly, if there is little to no practical uses for the fundamental truth outside of that which is claim, patent eligibility is unlikely.

**Third**, it would be useful to provide the public with a ballpark estimate of how much remaining practical utility needs to be left over outside of the fundamental truth in order to be patent eligible. Is that going to be a quantitative measure, qualitative measure or both? It would be useful to get an appreciation the Office’s take, or better yet the Office’s

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<sup>1</sup> It is believed that a claim should be examined to make sure that none of the judicial exceptions apply; accordingly, the flowchart takes each claim through an analysis for all of the judicial exceptions before determining patent eligibility. Moreover, since articles of manufacture appear to be the only claims removed from the judicial exception analysis it not constructive to ask whether the claim is to a process, machine or composition of matter after *Alice* because machines, .e.g. like computers or systems, are now still subject to the judicial-exception review.



commitment, on the needed level or amount of unclaimed practical uses for patent eligibility when a judicial exception is employed in a claim. Perhaps cases like *Diamond v. Diehr*, 450 U.S. 175 (1981) and *Arrhythmia Research Technology, Inc. v. Corazonix Corp.*, 958 F.2d 1053 (Fed. Cir. 1992) can provide guidance.

Sincerely,

*s/ Kristy J. Downing /*



