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Re: Comments on Interim Examination Instructions For Evaluating Subject Matter Eligibility Under 35 U.S.C. § 101, in response to requests for comment at 74 Fed. Reg. 47780 (Sept. 17, 2009) and http://www.uspto.gov/web/offices/com/speeches/20090827_interim_el.htm

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Dear Ms. Dennison:

The Boston Patent Law Association (BPLA) thanks the U.S. Patent and Trademark Office (USPTO) for the opportunity to comment on the USPTO's Interim Examination Instructions For Evaluating Subject Matter Eligibility Under 35 U.S.C. § 101 (hereinafter "Interim Instructions").

The BPLA is an association of intellectual property professionals, providing educational programs and a forum for the interchange of ideas and information concerning patent, trademark, and copyright laws in the Boston area. These comments were prepared with the assistance of both the Patent Office Practice Committee and the Computer Law Committees of the BPLA.

These comments are submitted solely by the BPLA as its consensus view. They are not the views of any individual member, any firm, or any client.

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The Interim Instructions provide instructions to the USPTO examining corps "for examining claims under 35 U.S.C. § 101 for subject matter eligibility."¹ According to a memorandum from Andrew Hirschfeld, Acting Deputy Commissioner for Patent Examination Policy, that was attached to the Interim Instructions, the examiners have been instructed to use the Interim Instructions during examination as of August 24, 2009.

We appreciate the effort that was involved in developing the Interim Instructions, and we acknowledge the benefits of making Interim Instructions available to examiners, patent practitioners, and applicants. BPLA understands that these Interim Instructions are not intended to be permanent, and are "pending a final decision from the Supreme Court in *Bilski v. Kappos*."² We look forward to promulgation of permanent Instructions upon resolution of *Bilski v. Kappos*. In the meantime, the BPLA offers the following comments regarding the Interim Instructions, in a desire to assist the Office.³

Our comments generally fall into two categories: (a) procedural, administrative law issues and (b) the substantive content of the interim instructions. The types of issues are intertwined. Thus, please note the substantive issues identified in each portion of our comments.

¹ Interim Instructions at 1.

² *Id.*

³ The President's *Good Guidance Bulletin*, *infra*, encourages agencies to promptly prepare and issue guidance documents for the benefit of agency personnel and the public. Both APA § 553 and the *Good Guidance Bulletin* permit the agency to issue interim guidance on an emergency basis, and to issue corrected guidance after the agency completes the full procedural vetting process. Here, the interim Instructions as issued in August 2009 are substantially similar to the guidance that could have been issued shortly after the *Bilski* decision in October 2008. Yes, the Office issued "negative guidance" warning examiners against reliance on pre-*Bilski* guidance, but gave no "positive guidance" to fill that vacuum. Examiners were left to formulate the law independently, and they have been doing so to the consternation of applicants. The BPLA encourages the Office to more vigorously exercise its powers to issue and publish interim guidance, to give applicants and examiners a clearer framework in which to reach agreements.

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Comments

I. *Administrative Law Issues*

A. **The Interim Examination Instructions Initially were Promulgated Without the Procedures Required By Presidential Instruction**

Both the Manual of Patent Examining Procedure Eighth Edition, August 2001, Latest Revision July 2008 ("MPEP") and the Interim Instructions are unquestionably "guidance document[s] disseminated to regulated entities or the general public that may reasonably be anticipated to ... (i) Lead to an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, [or] competition." Both meet that definition of "economically significant guidance document" and "significant guidance document" that are subject to the heightened procedural requirements of Executive Order 12,866 and the *Final Bulletin for Agency Good Guidance Practices* ("Good Guidance"), issued by the Executive Office of the President in 2007.⁴

As such, both the Interim Instructions and any follow-on final examination instructions require notice and comment, with a notice in the Federal Register. (Good Guidance § IV.) The BPLA is pleased that although the USPTO initially side-stepped the proper procedure and did not provide a 30-day comment period from the Federal Register announcement, that it has now done so. However, we nevertheless wish to go on record that the initially undertaken and announced process was improper, lest it be employed again.

The USPTO announced its August 24 Interim Instructions on its web site,⁵ at a page that had no timely link on the primary "news" or "notices" pages. The USPTO did not publish the required Federal Register notice until over three weeks later, September 17, 2009. Only 8 business days were provided for effective public comment. A tardy notice was published on the USPTO's "Recent Patent-Related Notices" page⁶ on its web site, but not with a correct Federal Register citation until the last two days of the initially announced

⁴ Executive Office of the President, *Final Bulletin for Agency Good Guidance Practices*, OMB Memorandum M-07-07, <http://www.whitehouse.gov/omb/memoranda/fy2007/m07-07.pdf> (Jan. 18, 2007), http://www.whitehouse.gov/omb/assets/regulatory_matters_pdf/012507_good_guidance.pdf, 72 Fed. Reg. 3432 (Jan. 25, 2007). Good Guidance §§ I, IV. In a telephone call to the Office of Management and Budget on September 24, 2009, BPLA confirmed that the Good Guidance Bulletin remains in effect, and that it binds agencies with the force of law equivalent to a numbered Executive Order. The statement in the Federal Register Notice that notice and comment is "not required under ... any other law" (74 Fed. Reg. at 47781) is therefore puzzling.

⁵ http://www.uspto.gov/web/offices/com/speeches/20090827_interim_el.htm

⁶ <http://www.uspto.gov/web/offices/pac/dapp/ogsheet.html>

comment period. The original notice on that page, linked to 74 Fed. Reg. 47778 (a Paperwork ICR notice), not to 74 Fed. Reg. 47780, the "Interim Instructions" notice.

The original comment period and the foreshortened notice of the Federal Register announcement and its late citation on the USPTO web site seem difficult to reconcile with the transparency goals of the Good Guidance Bulletin and, as stated above, the BPLA is pleased to see a correct comment period has been instituted.

B. The USPTO has Created "Ambiguity" That Violates both Good Guidance and the Paperwork Reduction Act, and is Substantively Problematic

The Good Guidance Bulletin requires the USPTO to maintain on its web site "a current list of its significant guidance documents in effect, [including] issuance and revision dates. ... The list shall identify significant guidance documents that have been added, revised or withdrawn in the past year." (Good Guidance § III(1)(a) and (b).) After diligent search, it appears that the USPTO maintains no such web page. The closest appears to be a list of "memoranda to the examining corps,"⁷ but this page does not meet all the requirements of the Good Guidance Bulletin, because it does not distinguish guidance that is still in effect from guidance that is obsolete or withdrawn.

The Interim Instructions state, "These Instructions supersede previous guidance on subject matter eligibility that conflicts with the Instructions, including MPEP 2106(IV), 2106.01 and 2106.02." This statement is ambiguous, and the BPLA is concerned that it leaves the examining corps and applicants in a quandary as to what parts of the MPEP are superseded. Are these three sections of the MPEP superseded entirely? Or only to the extent that they conflict with the Instructions? If the latter, what portions does the Office see as not conflicting? Is this list exhaustive? Individual examiners—very few of whom have legal training—should not be left to make a substantive analysis of the interaction of the MPEP and the Interim Instructions. The President's instructions to the USPTO require that the USPTO clearly identify the status of all significant guidance, on a web page. Because there is no such web page, examiners and the public are left to guess. Thus, the Interim Instructions create precisely the ambiguity that the Good Guidance Bulletin seeks to avoid.

The BPLA respectfully submits that the breach of Good Guidance creates an ambiguity that violates the Paperwork Reduction Act. The Act, in 44 U.S.C. § 3506(c)(3)(D), requires the USPTO to use "unambiguous terminology." By failing to clearly designate what guidance remains in effect and what is withdrawn, the USPTO introduces an unnecessary and unlawful ambiguity. This creates a burden for both

⁷ <http://www.uspto.gov/web/patents/memoranda.htm>

applicants and the Office in resolution of unnecessary disputes, unnecessary friction with examiners, possibly to the point of generating unnecessary appeals that could be avoided through clearer guidance.

C. The Disclaimer of Supervision or Enforceability is Inconsistent with Instructions From the President, and with the USPTO's Obligations Under the Administrative Procedure Act and Patent Act

The first paragraph of the Interim Instructions states as follows (sentence numbers added):

... [1] These examination instructions do not constitute substantive rulemaking and hence do not have the force and effect of law. [2] Rejections will be based upon the substantive law, and it is these rejections that are appealable. [3] Consequently, any perceived failure by Office personnel to follow these instructions is neither appealable nor petitionable.

These three sentences misapprehend the relationship between substantive, procedural, legislative, and interpretative rulemaking that bind the public, and agency staff manuals that bind only agency employees.

The USPTO is correct that its instructions to *examiners* are not "substantive rulemaking" and "do not have force of law," and therefore do not bind the public.⁸ This is a straightforward application of 5 U.S.C. § 552(a) (with exceptions not applicable here, agency staff manuals may not be enforced against the public) and § 553 (rules are not enforceable against the public unless promulgated by certain procedures). Rather than "rules," the Interim Instructions are "regulations for the government of [an Executive] department" under 5 U.S.C. § 301, a "staff manual" under 5 U.S.C. § 552(a), and a "significant guidance document" and amendment to an "economically significant guidance document" governed by the *Bulletin for Agency Good Guidance Practices*.⁹ Unquestionably, the Interim Instructions *do bind examiners*,¹⁰ and the *public is entitled to rely on them*.¹¹

⁸ The purported cause-and-effect is a complete *non sequitur* – and a false one at that. As the PTO recognized in its Final Rule on Continuations and Claims, a validly-promulgated non-substantive procedural rule can have "force of law" enforceable up to the point of forcing an application into abandonment.

⁹ See footnote 4.

¹⁰ Good Guidance § II(1)(b) ("Agency employees should not depart from significant guidance documents without appropriate justification and supervisory concurrence").

¹¹ *In re Kaghan*, 387 F.2d 398, 401, 156 USPQ 130, 132 (CCPA 1967).

The USPTO would be in violation of the law if it did *not* issue mandatory instructions to examiners, because the Director and Commissioner are obligated to “manage and direct *all* activities” relating to examination, 5 U.S.C. § 3(b)(2)(A), § 3(a)(2)(A), to cause examination to be made “under the law,” § 131, and to ensure that examination is carried out in a “fair, impartial, and equitable manner,” § 3(a)(2)(A), which necessarily implies written, uniformly-applied, predictable standards that are enforced. Applicants have both the substantive rights arising under § 102 *et seq.* of the Patent Act, and also rights arising under the administrative law and §§ 2 and 3, to correct *procedure* during examination, in the form of predictable, complete examination. If an examiner skips a step in the Interim Instructions, or makes up an alternative analysis that has no basis in the Interim Instructions, the USPTO is required to “manage and direct” during §§ 131/132 examination to get proceedings back on track.

The Interim Instructions err in attempting to disclaim any obligation to enforce during examination. The USPTO is required by both the Administrative Procedure Act¹² and the Patent Act¹³ to give its examiners binding guidance on *prima facie* elements of various rejections and objections. Once guidance is issued and made public, the USPTO is required by Presidential directive and the Administrative Procedure Act to enforce that guidance.¹⁴ It is difficult to see how sentence [3], stating that the USPTO's instructions to examiners are unenforceable, can possibly be legal, consistent with the President's Good Guidance instructions, or with Secretary Locke's instructions that the USPTO must improve its efficiency so it can reduce its backlog.

The analytical error in the Interim Instructions is a failure to recognize that sentences [2] and [3] discuss two different agency actions.¹⁵ “Rejection,” the action

¹² *Service v. Dulles*, 354 U.S. 363, 373–76 (1957) (agency's procedures must be “scrupulously observed”); *Vitarelli v. Seaton*, 359 U.S. 535, 545 (1959) (an agency action in violation of the agency's internal procedural handbook is “illegal and of no effect”); *Lopez v. Federal Aviation Administration*, 318 F.3d 242, 246–47 (D.C. Cir. 2003) (explaining the relevant Supreme Court cases and the obligation of agencies to follow and enforce their own rules); *Powell v. Heckler*, 789 F.2d 176, 178 (3d Cir. 1986) (courts have no tolerance “in matters pertaining strictly to an agency's observance and implementation of its self-prescribed procedures”).

¹³ 35 U.S.C. § 3(b)(2)(A) (Commissioner for Patents shall be “responsible for the management and direction of all aspects of the activities of the Office that affect the administration of patent . . . operations”).

¹⁴ Agencies may not relieve themselves of rules “intended primarily to confer important procedural benefits upon individuals in the face of otherwise unfettered discretion.” *American Farm Lines*, 397 U.S. at 538; *City of Fredericksburg Virginia v. Federal Energy Comm'n*, 876 F.2d 1109, 1112 (4th Cir. 1989) (“*American Farm Lines* held that an administrative agency has discretion to relax or modify internal housekeeping regulations . . . However, the exception announced in *American Farm Lines* does not apply if the agency regulations were intended ‘to confer important procedural benefits upon individuals’ or other third parties outside the agency. . . . The applicability *vel non* of *American Farm Lines* thus turns on whether the regulation . . . was designed to aid [the agency] or, instead, to benefit outside parties”).

¹⁵ It is commonplace that a single body of facts or single agency decision may give rise to separate “agency actions,” 5 U.S.C. § 551(13), with corresponding separate claims for relief under different bodies of law, and those claims for relief may require parallel proceedings in different fora. *E.g.*, *Federal Communications Comm'n v. Nextwave Personal Communications*, 537 U.S. 293, 303–04 (2003) (bankruptcy

discussed in sentence [2], is one agency action; the BPLA agrees with the USPTO that this agency action is substantive and appealable. "Perceived failure by Office personnel to follow these instructions," the action discussed in sentence [3], is a *separate agency action*, one that is *not* appealable.¹⁶ 37 C.F.R. § 1.181(a)(1) ensures that there is no such thing as an agency action that is "neither appealable nor petitionable" – the USPTO may not create exceptions to § 1.181 by guidance. Therefore, an examiner's failure to follow mandatory instructions is petitionable, and subject to management oversight, just as any other employee's misconduct and failure to follow a supervisor's instructions that may injure a third party are the responsibility of the supervisor to correct.¹⁷

The analytical error has immense practical consequences, and creates immense burdens that cannot coexist with the Paperwork Reduction Act, the Administrative Procedure Act, or the Good Guidance Bulletin. Sentence [3] states that examiners will not be held accountable for failing to follow the USPTO's instructions to them. When examiners are not held accountable for failure to follow instructions, abuses and unpredictable examination are likely to occur.¹⁸ When applicants have no means to enforce procedurally-correct and complete examination, prosecution will drag on, be more expensive than necessary for the applicant and for the Office, and deprive applicants of rights to which they are entitled. The BPLA urges the USPTO to follow the *procedural* and *administrative* law, and to carry out its obligation to ensure examiner compliance with guidance, so that applicants and examiners can proceed from a common set of assumptions, and under predictable procedures.

The BPLA notes that the ambiguity in the scope of petitionable vs. appealable subject matter, and the disagreement between the Board and the Office of Petitions as to

proceeding on the merits originated in New York bankruptcy court, APA review of same facts originated in D.C. Circuit. The earlier case denied relief under bankruptcy, but the APA case resulted effectively in discharge of the debt, which the Supreme Court affirmed). Any notion that all issues relating to rejections of claims must necessarily all go to the same tribunal would have few if any analogies elsewhere in the law, and has no support in any known case from any appellate court.

¹⁶ The Board lacks jurisdiction to hear issues that "dispute the administrative processing of [a rejection alleged to be procedurally improperly raised during] the prosecution." The Board insists that "the proper procedure is to seek review by way of petition..." *Ex parte Edwards*, Appeal No. 98-1396, <http://des.uspto.gov/Foia/RetrievePdf?system=BPAI&flNm=fd981396> at 4, 1998 WL 1736081 at *2 (BPAI Apr. 27, 1999) (non-precedential). In its decisions, the Board has often reiterated that "The board does not exercise supervisory authority over examiners." Board of Patent Appeals, Frequently Asked Questions page, <http://www.uspto.gov/web/offices/dcom/bpai/bpaifaq.htm>; *Ex parte Gambogi*, 62 USPQ2d 1209, 1212 (BPAI 2001) ("We decline to tell an examiner precisely how to set out a rejection"). Once the Board holds that an issue is not appealable, 37 C.F.R. § 1.181(a)(1) *requires* that it be petitionable.

¹⁷ Restatement 2d (Agency) § 214 ("A ... principal who is under a duty to ... to have care used to protect others or their property and who confides the performance of such duty to a servant or other person is subject to liability to such others for harm caused to them by the failure of such agent to perform the duty."); *Allentown Mack Sales & Serv., Inc. v. NLRB*, 522 U.S. 359, 376–77 (1998) ("Because reasoned decisionmaking demands it, and because the systemic consequences of any other approach are unacceptable, the [agency] must be required to apply in fact the clearly understood legal standards that it enunciates in principle... Reviewing courts are entitled to take those standards to mean what they say...").

¹⁸ See, e.g., 09/611,548, Office Action of Nov. 1, 2006.

how to treat breaches of procedure relating to examination of claims, is an “ambiguity” that must be clarified pursuant to the Paperwork Reduction Act. The BPLA commends to the USPTO’s attention one of the notice-and-comment letters¹⁹ regarding last year’s Appeal Rule, and recommends that the discussion of intra-USPTO subject matter jurisdiction suggested there be incorporated into the MPEP.

The disclaimer in sentence [3] is either a violation of 35 U.S.C. § 3, 37 C.F.R. § 1.181(a)(1), and the Administrative Law, or else it is nugatory. It should be removed.

D. The USPTO Must Prepare a “Robust Response to Comments”

The Federal Register Notice states (74 Fed. Reg. at 47781, col. 1):

Persons submitting written comments should note that the USPTO may not provide a “comment and response” analysis of such comments.

The BPLA reminds the USPTO of further instructions from the President, that after reviewing public comments on “significant guidance documents,” the USPTO “must prepare a robust response-to-comments document and make it publicly available.”²⁰ The BPLA looks forward to reviewing the USPTO’s response to comments.

II. General Comments

A. The Lack of Citations to Authorities Leaves Applicants and Examiners Guessing

In reviewing the language used in the Interim Instructions, we found ourselves uncertain, a number of times, what authorities were being relied upon for the Office’s formulation of its instructions. In general, it would be helpful to both examiners and the public, even in interim instructions, to include citations to the authorities being relied upon. We urge the Office to annotate the document with citations to authorities.

B. The Lack of Examples Leaves Examiners Too Much Room to Apply the Interim Instructions Inconsistently

The analysis of subject matter eligibility is already, in our collective experience, an area in which there is considerable examiner-to-examiner variability. While it is commendable that the Office has tried to create a document that is reasonably “short and

¹⁹ <http://www.uspto.gov/web/offices/pac/dapp/opla/comments/bpai/boundy.pdf> at PDF pages 66-74, Attachment E.

²⁰ Good Guidance, .../m07-07.pdf at 17, 72 Fed. Reg. at 3438, col. 2.

sweet," such brevity comes with a price. That price is ambiguity. In reading the Interim Instructions and asking ourselves how they would be applied by examiners to various hypothetical claims, we kept returning to a consensus that without examples, examiners were being left with too much latitude in making an important judgment.

No examples are provided, for example, of claim language that will satisfy the instructions provided. To take one instance, there is no clear definition of what is the practical application of a judicially recognized exception that would avoid preemption.

Section 2106 of the MPEP currently provides examples of claim language that does and does not constitute statutory subject matter. Examples in the manner of what is now in section 2106 of MPEP would be useful to examiners, practitioners and applicants. Perhaps it was intended that some such examples remain extant and others do not, but as stated above, the interaction with Section 2106 is sufficiently unclear that one cannot be sure which examples are still considered operative instructions. Without such examples, it appears likely that some examiners will misinterpret the examination instructions and render rejections that are contrary to the examination instructions, increasing the burden and cost of response and appeal on the applicants and adding to the current backlog at the Office.

III. Substantive Patent Law Issues

A. The Discussion of Transformation of Matter as it Relates to Data is Confusing

The sentence bridging pages 5 and 6 of the Interim Instructions as originally published on the Office's web site may be more confusing than helpful in the examination process. That sentence now reads:

For data, mathematical manipulation *per se* has not been deemed a transformation; but, transformation of electronic data has been found when the nature of the data has been changed such that it has a different function or is suitable for a different use.

In juxtaposition, the two clauses do not make clear the analysis that should be performed. All manipulation of digital data is, in a sense, mathematical operation on that data. Indeed, even in the acclaimed *Abele* decision²¹ blessed in the Federal Circuit's *Bilski* decision, claim 6, which was found to define statutory subject matter, specified that each pixel value was replaced by the *average* of the values of its neighboring pixels. This is a low-pass filtering operation and may properly be characterized as such, but it is also a purely mathematical operation of addition and division.

²¹ *In re Abele*, 684 F.2d 902, 214 U.S.P.Q. 682 (C.C.P.A. 1982).

What was important to the court was that the data was image data from a CT scanner, a man-made, particular kind of machine. However, the data was image data at the start, mathematically manipulated into new image data, but always image data. The processed data did not have a different function and was not suitable for a different use than the input data.

So, if the sentence bridging pages 5 and 6 of the Interim Instructions was intended to allude to the *Abele* decision (alone or in combination with others), we do not think the sentence properly reflects the case law. If other cases were the basis for the statement, we would like to know which cases were in the writers' minds, as we do not think the statement accurately summarizes the law.

The sentence bridging pages 5 and 6 of the Interim Instructions will surely spawn more disagreement in the examination process than it will avoid. For example, all signal processing involves performing a series of mathematical operations on input data samples. All encryption and data compression techniques similarly involve mathematical operations on data. All of these processes are transformative in that the output data is not the same as the input data. Sometimes the data represents a physical signal such as the output of a microphone or the content of a text file, but not always. One might define a new filtering operation usable in a wide variety of applications, and not want to limit the scope of a claim to a particular use of the method beyond its application to electronic data. Nothing in *Bilski* justifies a narrow approach to data transformation or specifies that the "nature" of the data (whatever that means) must be changed or that it must be suitable, post-processing, for some different use or function. Thus, the BPLA disagrees with the Office's statement of the law and requests citation of authorities.

As a suggestion, the Office should consider something along the lines of the following alternative:

"For data, both the machine and transformation tests would be available. A process may be considered to be tied to a particular machine when the data represents a physical quantity obtained from a man-made source. *In re Abele*, 684 F.2d 902, 214 U.S.P.Q. 682 (C.C.P.A. 1982) (noting the data was CT data). With respect to transformation, the mathematical manipulation of data *per se*, which is to say numbers devoid of physical significance, has not been deemed a transformation. However, a process has been found to provide the required transformation when electronic data *per se* has been manipulated, if the processed data has been so changed from input to output that it has a different attribute, nature or quality, or is suitable for a different function or use. *In re Abele*, 684 F.2d 902, 214 U.S.P.Q. 682 (C.C.P.A. 1982) (noting the input data was processed and rendered to a display with reduced noise)."

B. The Concept that a Claim Drawn to Statutory Subject Matter Does Not Become Non-Statutory When the Claim Includes a Non-Statutory Component or a Judicial Exception is Not Clearly Stated in the Interim Instructions

In *Diamond v. Diehr*, the Supreme Court held that “a claim drawn to subject matter otherwise statutory does not become nonstatutory simply because it uses a mathematical formula, computer program, or digital computer.”²² This rather simple concept is not readily ascertainable in the language of the Interim Instructions referring to “the broadest reasonable interpretation being directed to a man made tangible embodiment . . . with real-world use” and in the “limited occurrence of preemption.”²³

Without concrete examples, examiners are given overly broad leeway to reject as non-statutory what the Court has held to be statutory. Clarifying the instructions by means of example will result in a more efficient and faster examination process.

IV. *Permanent Instructions*

We provide the following comments as suggestions for the more permanent Instructions that will be promulgated after the *Bilski* decision.

A. The U.S. Patent and Trademark Office Should Provide Clarifying Text and Examples Throughout the Instructions

As discussed above, the Interim Instructions do not contain examples of acceptable and unacceptable claim language, claims format, and claimable subject matter. For example, it would be helpful to clarify, through examples, how to treat claims to statutory subject matter that recite some non-statutory components or that recite multiple categories of statutory subject matter.

In addition, the Interim Instructions do not contain detailed discussion of acceptable and unacceptable claim language. Providing concrete example and additional text will result in a more efficient and faster examination process, and reduce the number of appeals that otherwise are inevitable simply due to disagreements over the instructions to the examining corps.

²² *Diamond v. Diehr*, 450 U.S. 175, 188, 209 U.S.P.Q. 1 (1981).

²³ Interim Instructions at 3.

B. Develop, for the Examiners, Form Paragraphs to Track the Flowcharts

The Interim Instructions contain flowcharts that illustrate tests for subject matter eligibility for claims in general and for process claims specifically. Providing form paragraphs that track the flowcharts would be useful to the examiners in drafting Office Actions that present the results of the examination of claims under 35 U.S.C. § 101 for subject matter eligibility, and to patent practitioners and applicants in understanding the presentation of such results in the Office Actions.

MPEP Form paragraphs 7.04-7.05.03 already cover the appropriate non-process rejections. See MPEP 706.03(a). Additional proposed form paragraphs 7.05.04-7.05.07 are proposed below, in Appendix A of these Comments.

C. Elaborate on the Interim Instructions' Discussion of Pre-Emption as it Relates to Broadest Reasonable Interpretation

While we agree with the need to consider the possibility of preemption, in our experience it is not well understood by junior examiners, who by and large are not so familiar with case law. The one case cited in MPEP 2106, *Benson*²⁴, is not of much help in understanding the law and many practitioners would say it wrongly applied the law to the facts in that case. Thus, merely repeating the rubric on the last paragraph of page 3 of the Interim Instructions does little to help examiners apply the law. We appreciate that the Office understands that preemption is rare and that it has tried to signal that caution with its phrasing, "the *limited occurrence* of preemption must be evaluated." However, we doubt that many examiners will appreciate the nuanced language.

The Interim Instructions thus does little to help an examiner understand whether a claim "impermissibly covers substantially all practical applications of the judicially excepted subject matter." Some examiners, in our experience, have difficulty distinguishing between a claim that is broad because the prior art does not force it to be narrower, from a claim that defines judicially excepted subject matter. This is therefore an area in which we particularly would like to see examples provided. Additionally, some re-phrasing might help, such as:

"Once a practical application has been established, the relatively rare limited occurrence of preemption must be considered evaluated. That is, if to determine whether the claim impermissibly covers substantially all practical applications of the

²⁴ *Gottschalk v. Benson*, 409 U.S. 63 (1972).

judicially excepted subject matter. ~~If so,~~ the claim is not patent-eligible. If the claim covers only a particular fewer than all practical applications of the judicially excepted subject matter, it is patent eligible. An examiner should be careful to distinguish a claim that is merely broad from one which is effectively claiming judicially excepted subject matter rather than an application of that subject matter."

D. Reframe Discussion of Descriptive Material to More Properly Address Printed Material

"Descriptive material" has never been addressed as a § 101 issue by the courts. Although it was an issue in *In re Lowry*, it appeared only as a § 102 issue. The Interim Instructions appear to take a position consistent with that view. However, the BPLA suggests that the presence of this discussion in the § 101 examination instructions introduces ambiguity. This discussion, to the degree it is retained at all, should be moved to the § 2110 sections of the MPEP, to make clear that it only applies to §§ 102/103 issues. It should also be reworded to reflect the Federal Circuit's holding that there is no broad "descriptive matter" doctrine, only a narrow "printed matter" doctrine applicable *only* to "arrangements of *printed lines or characters*, useful and intelligible *only* to the human mind."²⁵

Any mention of "printed matter" in a § 101 context should merely reiterate the general principle that the presence of some recitation of printed, abstract or "mental steps" subject matter in a claim does not render the subject matter as a whole ineligible for protection. Again, an example would help make this point clearly. The ubiquitous CD-ROM comes to mind. It is an article of manufacture, one category of statutory subject matter. If a claim recites a CD-ROM having recorded thereon a new song of a script for a new play, the song and the script being descriptive material, the claim lacks novelty but it does recite eligible subject matter.

E. Elaborate on the Interim Instructions' Discussion of Transformation of Matter as it Relates to Data

As discussed above, the sentence bridging pages 5 and 6 of the Interim Instructions may be more confusing than helpful in the examination process. We suggest elaborating on the discussion of transformation of matter as it relates to data in the manner discussed above.

²⁵ *In re Lowry*, 32 F.3d 1579, 1582, 32 U.S.P.Q.2d 1031, 1034 (Fed. Cir. 1994).

F. Include Case Citations in the Text of the Instructions

While providing instruction "for examining claims under 35 U.S.C. § 101 for subject matter eligibility," the Interim Instructions conspicuously lack citations to the Court and Board decisions from which the law of subject matter eligibility sprang. Without citations to the case law that provide the basis of patent law, it is impossible to fully understand the statements of law made in the Interim Instructions or to put the statements into appropriate context.

It is thus too easy for examiners to misinterpret the Interim Instructions and render rejections that are contrary to the examination instructions and to the Court and Board decisions that form the foundation of the Interim Instructions. Including citations to the relevant court and Board decisions will allow examiners, practitioners, and applicants alike to understand the instructions in more depth, as well as to put the instructions into appropriate context.

G. Consider Promulgating two Versions of the Instructions and Incorporating the Permanent Instructions into the MPEP

If the lack of citation or examples in the text of the Interim Instructions arose from a concern that the Interim Instructions would be too detailed or too long, we suggest promulgating two versions of the permanent instructions, in much the same way that the *Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility* 1300 Off. Gaz. Pat. Office 142 (Nov. 22, 2005) were promulgated. A comprehensive version of the permanent instructions (annotated, with citations, and having numerous examples) could be available on the USPTO website, and a condensed version of the Instructions could be published and eventually incorporated into the MPEP.

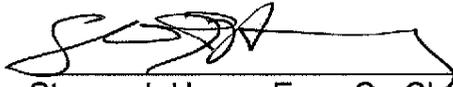
Including the projected permanent instructions into the MPEP, whether in condensed or comprehensive form, is especially appropriate, given the statements in the Interim Instructions that sections of the MPEP are superseded by the Interim Instructions. We respectfully submit that, if sections of the MPEP are superseded in whole or in part, they should be removed from the MPEP and replaced with current, accurate statements of the law of subject matter eligibility that have been drafted, commented on, and promulgated in accordance with required administrative procedures, particularly the Good Guidance Bulletin, and a replacement for Executive Order 13,422 that is expected to issue shortly.

Thank you for consideration of our comments.

Sincerely,

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Appendix A

The following suggested form paragraphs track the flowcharts that illustrate the tests as presented in the Interim Instructions for subject matter eligibility for claims in general and for process claims specifically:

Form paragraphs that cover the appropriate non-process rejections are already found in MPEP 7.04-7.05.03. ¶¶ 7.04 and 7.05 are included for reference, with additional proposed form paragraphs 7.05.04-7.05.07 below.

¶ 7.04 Statement of Statutory Basis, 35 U.S.C. 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Examiner Note

This paragraph must precede the first use of **35 U.S.C. 101** in all first actions on the merits and final rejections.

¶ 7.05 Rejection, 35 U.S.C. 101, -Heading Only- Claim [1] rejected under **35 U.S.C. 101** because

Examiner Note

1. This form paragraph must be followed by any one of form paragraphs **7.05.01 - 7.05.07** or another appropriate reason that is *both* (a) supported by specific citation to the Supreme Court or Federal Circuit Court of Appeals or a precedential decision of the Board of Patent Appeals and Interferences, and (b) identifies the “best candidate” language in the claim and explains why it is insufficient.

¶ 7.05.04 Rejection, 35 U.S.C. 101, Process Claim, No Machine, No Transformation

the claim does not require that the method be implemented by a particular machine, or that the method particularly transform a particular article. See *In re Bilski*, 545 F.3d 943 (Fed. Cir. 2009).

Examiner Note

If the claim contains a particular machine, but the use of the machine is impermissible, use form paragraph 7.05.05 or 7.05.06 below. If the claim contains a transformation, but the transformation is impermissible, use form paragraph 7.05.06 or 7.05.07 below.

¶ 7.05.05 Rejection, 35 U.S.C. 101, Process Claim, Improper Machine, No Transformation

the claim does not require that the method particularly transform a particular article. While the claimed invention requires that the method be implemented by a particular machine, namely [1], the use of the machine does not [2]. [3] See *In re Bilski*, 545 F.3d 943 (Fed. Cir. 2009).

Examiner Note

1. In bracket 1, insert the particular machine referred to in the claim.
2. In bracket 2, insert --impose a meaningful limit on the claim scope-- or --involve more than insignificant extra-solution activity--.
3. In bracket 3, explain why the claimed machine does not satisfy the test, i.e.,
 - (a) why the use of the particular machine does not impose a meaningful limit on the claim scope (e.g., by explaining why the use of the particular machine is required in all practical applications of the claimed method, or by showing how the use of the particular machine is merely a field of use limitation); or
 - (b) why the use of the machine is only insignificant extra-solution activity (e.g., by showing how the function of the machine in the claims could be achieved without the use of a machine in a practical system).

¶ 7.05.06 Rejection, 35 U.S.C. 101, Process Claim, Improper Machine, Improper Transformation

while the claim requires that the method be implemented by a particular machine, namely [1], the use of the machine does not [2]. [3] Further, while the claimed invention requires that the method particularly transforms a particular article, namely [4], the transformation does not [5]. [6] See *In re Bilski*, 545 F.3d 943 (Fed. Cir. 2009).

Examiner Note

1. In bracket 1, insert the particular machine referred to in the claim.
2. In bracket 2, insert --impose a meaningful limit on the claim scope-- or --involve more than insignificant extra-solution activity--.
3. In bracket 3, explain why the claimed machine does not satisfy the test, i.e.,
 - (a) why the use of the particular machine does not impose a meaningful limit on the claim scope (e.g., by explaining why the use of the particular machine is required in all practical applications of the claimed method, or by showing how the use of the particular machine is merely a field of use limitation); or
 - (b) why the use of the machine is only insignificant extra-solution activity (e.g., by showing how the function of the machine in the claims could be achieved without the use of a machine in a practical system).
4. In bracket 4, insert the particular article referred to in the claim that is transformed.
5. In bracket 5, insert --impose a meaningful limit on the claim scope-- or --involve more than insignificant extra-solution activity--.

6. In bracket 6, explain why the claimed transformation does not satisfy the test, i.e.,
- (a) why the particular transformation does not impose a meaningful limit on the claim scope (e.g., by explaining why the particular transformation is required in all practical applications of the claimed method, or by showing how the particular transformation is merely a field of use limitation); or
 - (b) why the particular transformation is only insignificant extra-solution activity (e.g., that the transformation is a simple recordation step or a data gathering step).

¶ 7.05.07 Rejection, 35 U.S.C. 101, Process Claim, No Machine, Improper Transformation

the claim does not require that the method be implemented by a particular machine. While the claimed invention requires that the method particularly transform a particular article, namely [1], the transformation does not [2]. [3] See *In re Bilski*, 545 F.3d 943 (Fed. Cir. 2009).

Examiner Note

1. In bracket 1, insert the particular article referred to in the claim that is transformed.
2. In bracket 2, insert --impose a meaningful limit on the claim scope-- or --involve more than insignificant extra-solution activity--.
3. In bracket 3, explain why the claimed transformation does not satisfy the test, i.e.,
 - (a) why the particular transformation does not impose a meaningful limit on the claim scope (e.g., by explaining why the particular transformation is required in all practical applications of the claimed method, or by showing how the particular transformation is merely a field of use limitation); or
 - (b) why the particular transformation is only insignificant extra-solution activity (e.g., that the transformation is a simple recordation step or a data gathering step).