

From: Walker, Edward P. [mailto:ewalker@oliff.com]
Sent: Monday, September 28, 2009 4:07 PM
To: AB98 Comments
Subject: Comments Relating To Interim Examination Instructions For Evaluating Subject Matter Eligibility

PRIVILEGED AND/OR CONFIDENTIAL:

This e-mail (including any attachments) is intended only for the use of the individual or entity named above and may contain privileged or confidential information. If you are not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are notified that any review, dissemination, distribution or copying of this e-mail is prohibited. If you have received this e-mail in error, please immediately notify us by e-mail, facsimile, or telephone; return the e-mail to us at the e-mail address below; and destroy all paper and electronic copies.

In view of the possibility that e-mail instructions may not be received, if you send us important or time sensitive communications by e-mail, you should also send a copy by facsimile, request acknowledgement of receipt and /or contact us by telephone to confirm receipt.

Communications Center
Oliff & Berridge, PLC
277 S. Washington Street, Suite 500
Alexandria, VA 22314
Tel: 703-836-6400
Fax: 703-836-2787
Email: email@oliff.com

MESSAGE:

Re: Comments Relating To Interim Examination Instructions For Evaluating Subject Matter Eligibility Under 35 U.S.C. § 101

Dear Sir:

Please see the attached letter regarding the above-identified matter.

Best regards.

Edward P. Walker

<<092809 Letter.pdf>>

OLIFF & BERRIDGE, PLC

ATTORNEYS AT LAW

September 28, 2009

277 SOUTH WASHINGTON STREET
ALEXANDRIA, VIRGINIA 22314

TELEPHONE: (703) 836-6400
FACSIMILE: (703) 836-2787
E-MAIL: EMAIL@OLIFF.COM
WWW.OLIFF.COM

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

By Email

Attn: AB98.Comments@uspto.gov

Re: Comments Relating To Interim Examination Instructions For
Evaluating Subject Matter Eligibility Under 35 U.S.C. § 101

Dear Sir:

Oliff & Berridge, PLC is a nationwide law firm specializing in intellectual property matters. Its patent practice serves corporations and individuals from every continent and has prosecuted thousands of matters before the U.S. Patent and Trademark Office (PTO). Its practice before the PTO offers it a perspective and depth of experience necessary to provide the following comments regarding the August 2009 "INTERIM EXAMINATION INSTRUCTIONS FOR EVALUATING SUBJECT MATTER ELIGIBILITY UNDER 35 U.S.C. §101" (hereinafter "Interim Guidelines").

Several recent cases have defined patentable subject matter under 35 U.S.C. §101, and the Supreme Court will further define the borders of patent eligibility in the case of *Bilski v. Kappos*. Both Examiners and practitioners alike can benefit from helpful guidance regarding the boundaries of patent eligibility. However, the current Interim Guidelines contain several flaws that should be corrected to account for the subtleties of the case law and the possibility of misinterpretation by Examiners and practitioners.

Our firm offers the following comments regarding perceived drawbacks of the current Interim Guidelines and potential negative effects of such drawbacks. In sum, the current Interim Guidelines contain several provisions that are legally inaccurate and other provisions that are open to misinterpretation by Examiners. We offer alternative suggestions to align the Interim Guidelines with current law.

I. The Interim Guidelines are Legally Inaccurate

The Interim Guidelines misstate or omit the rules of several cases relating to patent eligibility. These inaccuracies are discussed below in more detail.

**A. The Interim Guidelines Will Cause
Examiners to Impermissibly Combine Patent Eligibility
and Patentability Over Prior Art Into a Single Requirement**

It is well settled that a portion of a claim included for §101 compliancy need not itself be novel or nonobvious. Indeed, the late Judge Rich opined in *Bergy* that §101 and §102/§103 are distinct requirements that should be analyzed separately from each other. This proposition was reiterated by a January 2009 Federal Circuit revision of *Comiskey*, which deleted and revised the portion of the original opinion that implicitly linked §101 and §103.¹

The original *Comiskey* decision focused mainly on §101 patent eligibility, but also included a small portion hinting at an obviousness inquiry. In particular, the original *Comiskey* opinion stated "the routine addition of modern electronics to an otherwise unpatentable invention typically creates a *prima facie* case of obviousness." The court then remanded the case to the Board Of Patent Appeals and Interferences for further proceedings. In other words, the original *Comiskey* court strongly implied that the portion of the claim included for §101 compliancy must also be nonobvious, contradicting the principles of the *Bergy* decision.

The revised opinion removed the final three paragraphs that related to obviousness rather than patentable subject matter. Of particular interest is the quote above, which was revised to state "we remand to the PTO to determine in the first instance whether ~~the addition of modern computers and communication devices would have been obvious~~ §101 is satisfied." The *Comiskey* court thereby reiterated the rule of law discussed by Judge Rich, i.e., that a portion of a claim included for §101 compliancy need not itself be novel or nonobvious.

The *Comiskey* court did not explicitly state in its original opinion that §101 and §103 are linked together. However, because of the confusing language provided in the final three paragraphs, the court revised its opinion to clarify that §101 and §103 are separate inquiries.

Just as the *Comiskey* court revised its confusing language, we respectfully suggest that the USPTO revise its Interim Guidelines to correct confusing language that may potentially mislead Examiners and practitioners. For example, page 4 of the guidelines states "printed matter on an object or mere data (e.g., music) stored in a memory is typically non-functional descriptive material that would not create a patentable distinction over the prior art." (Emphasis added). A prior art inquiry is irrelevant when discussing patent-eligibility and will only dilute the propositions established by the *In re Comiskey* revision and Judge Rich's *Bergy* decision. Why is patentability over prior art even discussed in guidelines relating to patent eligibility under §101?

¹ See *In re Comiskey*, 554 F.3d 967, 981-982 (Fed. Cir. 2009); *In re Bergy*, 596 F.2d 952, 961 (CCPA 1979).

Accordingly, we propose (1) deleting or clarifying the above-referenced portion of the Interim Guidelines, and (2) including an explicit statement that reiterates the propositions of the *Comiskey* revision and Judge Rich's *Bergy* decision, i.e., that a portion of a claim included for §101 compliancy need not itself be novel or nonobvious.

B. The Interim Guidelines Misstate the Machine or Transformation Test

The Interim Guidelines, on page 5, state that a claimed process must "(1) be tied to a particular machine or apparatus (machine implemented); or (2) particularly transform a particular article into a different state or thing" to comply with the machine transformation test. (Emphasis added).

The case law does not so hold. For example, *Bilski* explicitly held that "a claimed process is surely patent-eligible under §101 if: (1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing."² As shown above, no "particular" transformation is required for the transformation prong of the machine or transformation test to be met. The Interim Guidelines reiterate this allegedly required "particular" transformation in the flow charts attached to the Interim Guidelines, and throughout the text of the guidelines.

We propose that the Interim Guidelines be revised to remove any portion requiring a transformation to be a "particular" transformation, as the case law does not require this limitation.

II. Portions of the Interim Guidelines are Confusing and Will Cause Misinterpretation by Examiners and Practitioners

While not necessarily legally inaccurate, certain portions of the Interim Guidelines are written in such a manner that Examiners and practitioners are likely to misinterpret the intended direction provided by the guidelines. For example, page 3 of the guidelines discusses how claims must require a "practical application" of a judicially recognized exception. The guidelines state:

A "practical application" relates to how a judicially recognized exception is applied in a real world product or process, and not merely to the result achieved by the invention. When subject matter has been reduced to a particular practical application having a real world use, the claim's practical application is evidence that

² *In re Bilski*, 545 F.3d 943, 954 (Fed. Cir. 2008) (en banc), citing *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972).

the subject matter is not abstract, not purely mental and does not encompass substantially all uses (pre-emption) of a law of nature or a natural phenomenon.

We are unsure how to interpret the above passage, and other practitioners and Examiners will also find the above passage difficult to interpret. The above passage does not explicitly define what a "practical application" is, but rather discusses what a "practical application" relates to and how a judicially recognized exception can become patent eligible when implemented within a practical application. Also, the passage requires a judicially recognized exception to be implemented within "a real world product or process," but does not define what constitutes a "real world" product or process as opposed to some other form of product or process.

The above passage attempts to define the application of a judicially recognized exception, e.g., an abstract idea, and how such an application may comply with §101. The "practical application" concept was discussed in *Diamond v. Diehr*³ to draw a distinction between claims that seek to preempt the use of a fundamental principle and claims that seek only to foreclose others from using a particular application of that fundamental principle. However, the Interim Guidelines are replete with examples and guidance regarding preemption, and the above-quoted passage of the guidelines is unnecessary in light of the preemption discussion. Further, the above passage will only further confuse the already confusing subject of preemption. Therefore, we suggest that this passage be removed.

III. The Interim Guidelines Make Technological Assumptions That Will Lead Examiners to Require Technology-Based Claim Limitations

The Interim Guidelines on page 7 state:

For the purposes of efficiency, it is recommended that the claim be first evaluated for the presence of the prong (M or T) most likely to be satisfied in the particular technological field because once one prong is satisfied, it is not necessary to evaluate the claim under the other prong. For example, in the mechanical and electrical arts, it may be more likely that a process is machine implemented, while in the chemical arts it may be more likely that a process results in a transformation of a substance.

While we appreciate that the above passage presents the recommendation "for the purposes of efficiency," the above passage "stereotypes" certain technologies as being more likely to be tied to a machine or more likely to be transforming an article into a different state or thing. Examiners may misinterpret the above passage as requiring, for example, mechanical and

³ *Diamond v. Diehr*, 450 U.S. 175, 192 (1981).

electrical arts to be tied to a machine and requiring the chemical arts to transform an article into a different state or thing. The above passage provides no statement of law and does not summarize §101 precedent in any way, but rather potentially leads Examiners to be closed-minded when considering claims in certain technological areas.

We suggest revising the guidelines to include a simple sentence that would follow the above-quoted passage:

Of course, if the claimed process does not satisfy the prong (M or T) most likely to be satisfied in the particular technological field, it is still necessary to inquire into the second prong (M or T) before issuing a §101 rejection, because only one prong (M or T) needs to be satisfied to comply with §101.

The above revision would unequivocally remind Examiners to analyze both prongs of the machine or transformation test before issuing a §101 rejection.

* * * *

In summary, we are concerned that the Interim Guidelines will confuse Examiners and practitioners, and will require many pending applications to conform with requirements that are not in accordance with law. We understand that the Interim Guidelines do not hold the force of law, and are only meant to guide Examiners regarding the boundaries of patent-eligible subject matter. However, common sense dictates that Examiners and practitioners are more likely to follow the eight-page Interim Guidelines rather than read and interpret thousands of pages of ever-changing case law precedent. We respectfully suggest the above-noted revisions to the guidelines so as to better conform them with applicable law and to avoid Examiner and practitioner confusion.

We appreciate the opportunity to provide our comments regarding the USPTO's Interim Guidelines.

Respectfully submitted,



Edward P. Walker