

-----Original Message-----

**From:** Roach, Betsi

**Sent:** Friday, July 28, 2006 5:10 PM

**To:** AB98 Comments

**Subject:** Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility

Please accept the attached letter.

Any questions, please let us know.

Thank you.

Betsi

*Betsi Roach*

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July 27, 2006

Commissioner for Patents  
U.S. Patent and Trademark Office  
Attn: Linda Therkorn  
[AB98.Comments@uspto.gov](mailto:AB98.Comments@uspto.gov)

RE: Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility

Dear Ms. Therkorn:

The American Bar Association Section of Intellectual Property Law represents over 18,000 members concerned with intellectual property issues. On behalf of this Section, we respond to your request for comments on interim guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility as originally requested in 1300 Off. Gazette Patent Office 142 (November 22, 2005).

**Summary**

The American Bar Association Section of Intellectual Property Law ("ABA IPL Section") supports, in principle, clarifying revisions to the Interim Guidelines for the Examination of Patent Applications for Patent Subject Matter Eligibility, published by the U.S. Patent and Trademark Office on November 22, 2005.

Specifically, the ABA IPL Section recommends that the U.S. Patent and Trademark Office make the following revisions to the Interim Guidelines:

- (1) in Annex IV and Annex V the U.S. Patent and Trademark Office should provide examples of claims and claim formats that meet subject matter eligibility requirements;
- (2) the paragraph beginning on page 4 that suggests that a complete disclosure should contain an indication of the practical application for the claimed invention should be removed;
- (3) on the last full paragraph on 15, the Guidelines should be amended to indicate that the decision in *IPXL Holdings, L.L.C. v. Amazon.com, Inc.*, 430 F.3d 1377 (Fed. Cir. 2005) only prohibits claims that cover both an apparatus and method of using the apparatus and does not suggest that that all claims that have limitations belonging to more than one category identified in 35 U.S.C. § 101 are invalid;
- (4) the flow charts of Annex 1 of the Interim Guidelines should be amended to eliminate the need to "identify" the utility or practical application of the claimed invention, and to simplify the overall process flow to determine if the claimed subject matter meets the requirements of 35 U.S.C. § 101.

## **Background**

### **(1) The U.S. Patent and Trademark Office should provide examples of claims and claim formats that meet subject matter eligibility requirements.**

The Interim Guidelines do not provide examples of claim language that will satisfy the guidelines provided. The addition of explicit safe harbors would be useful to examiners and applicants and would likely streamline prosecution for both. Section 2106 of the MPEP currently provides examples of claim language that does and does not constitute statutory subject matter. This type of context is helpful to examiners and applicants and allows both to see how the U.S. Patent and Trademark Office intends to apply standards. Without such examples, for example, some examiners may misapply the Interim Guidelines, which will require applicants to file responses that would otherwise not be needed, adding to the current backlog at the U.S. Patent and Trademark Office.

### **(2) Removal of the Need to Indicate a Practical Application**

The Interim Guidelines on page 4 suggest that there is a requirement that the patent application include some indication of the practical application of the invention. This seems unsupported by case law and appears to suggest the need for something that is not required by statute. While the invention may need to produce a “useful, concrete and tangible result,” no case or statute suggests that a patent application need contain an “indication of the practical application.”

The “useful, concrete and tangible result” requirement finds support in 35 U.S.C. §101. However, neither §101 nor the cases cited suggest any requirement that a patent application provide an indication of the “useful, concrete and tangible result.” Instead, the cases and statutes merely require that the invention be capable of providing a “useful, concrete and tangible result,” without more. Therefore, any suggestion that a statement is required to define the “useful, concrete and tangible result” lacks legal support.

In addition, “practical application” and “useful, concrete and tangible result” are not necessarily synonymous. Therefore, the case law that the Interim Guidelines cite does not support the position taken by the Interim Guidelines. To avoid improper rejections, this suggestion should be removed from the Interim Guidelines.

### **(3) Application of IPXL Holdings**

In IPXL Holdings, several patent claims had been found invalid and the Court of Appeals affirmed the finding of invalidity. In particular, claim 25 of U.S. Patent No 6,149,055 to Gatto ('055 patent) recited a system and a method of using the system:

25. The system of claim 2 wherein the predicted transaction information comprises both a transaction type and transaction parameters associated with that transaction type, and the user uses the input means to either change the prediction transaction information or accept the displayed transaction type and transaction parameters.

('055 Patent, C. 22, L. 8-13). The Federal Circuit held that because claim 25 recited both a system and a method of using the system, the claim was invalid as a matter of law.

However, this does not mean that functional language in a system claim renders the claim invalid. Long standing patent practice has allowed claims directed toward systems where a portion of the limitations is recited in functional language. Indeed a number of claims considered by the Federal Circuit have included functional language. *See generally, Johnson Worldwide Assoc., Inc. v. Zebeo Corp.*, 175 F.3d 985, 987-988 (Fed. Cir. 1999)) (discussing a claim that recited “a steering motor coupled to said trolling motor, said steering motor being disposed to affect the orientation of said trolling motor in response to input signals”). To avoid confusion, at least two example of claims should be included, one improper and one that is proper.

For example, the following claim is an example of what could be considered improper:

1. A system for analyzing financial transactions, comprising:  
a network; and  
a processor, the processor using the network to determine whether the financial transaction should be allowed.

Such a claim could be considered improper because it recites elements of a system and one of the elements is performing a process. In other words, the process itself is effectively an element of the claim, resulting in a claim improperly reciting in its body a combination of elements (network and processor) and a process step (using the network). In contrast, the following claim is proper because it recites elements of a system, one of which is further defined to have certain functionality:

1. A system for analyzing financial transactions, comprising:  
a network; and  
a processor, the processor configured to use the network to determine whether the financial transaction should be allowed.

Such a set of examples would minimize confusion and help to avoid improper rejections of patent claims that properly recite functional language.

#### **(4) New Flow Charts in Interim Guidelines**

The Interim Guidelines include a flowchart in Annex 1 that is entitled “Flowchart For Subject Matter Eligibility.” The process flow depicted in the flowchart is somewhat confusing. For example, the first box suggests the need to “identify” the utility or practical application. In the vast number of cases the utility and practical application is straightforward and requiring the Examiner to actually identify the utility is only likely to create collateral issues regarding whether the Examiner correctly stated the full scope of utility. Furthermore, the current statutes do not require the “identification” of utility, just that the invention have utility. Therefore, if the Examiner determines that the statutory requirements are met (e.g. the application has utility), nothing more is needed. This is consistent with other requirements, such as the requirement for novelty under 35 U.S.C. §102 – if the claims meet the requirements for novelty, then the Examiner does not discuss the issue. Accordingly, it is only when the application fails to meet the requirements that the Examiner should note it in the record.

The attached new Figures 1-3 below address this issue and also provide what is believed to be the desired process flow for determining whether the subject matter meets the requirements of 35 U.S.C. §101. While the Interim Guidelines correctly note that all statutory requirements should be checked regardless of whether a claim fails to meet a particular requirement, it seems more logical to address the claims in the

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order provided in new Figures 1-3. In addition, for claims where there are no issues with 35 U.S.C. §101 (which is the case for the majority of claims), the flowchart depicted in new Figure 3 provides a more straightforward process flow for the Examiner. Therefore, the existing flowchart should be replaced with figures similar to new Figures 1-3.

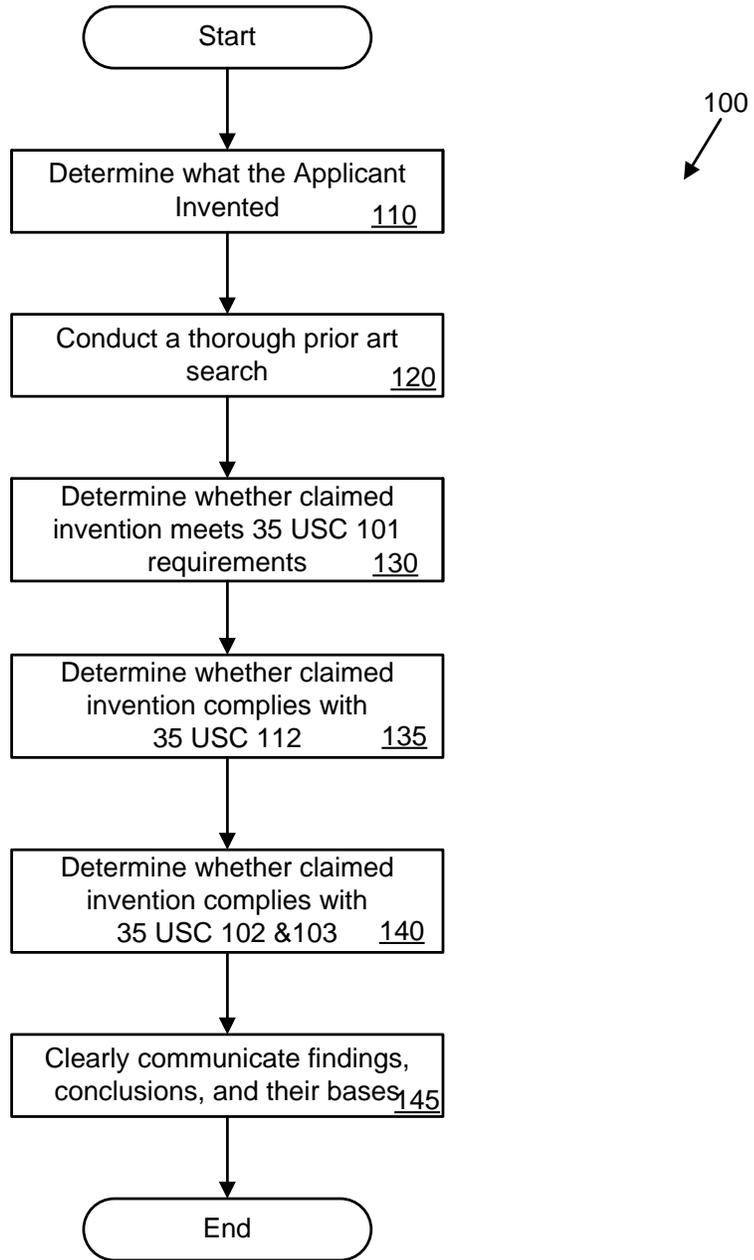
We appreciate the opportunity to provide such comments. Should you have any questions on this, please feel free to contact us.

Sincerely yours,

A handwritten signature in black ink, appearing to read "E. Anthony Figg". The signature is written in a cursive style with a large, stylized "F" and "G".

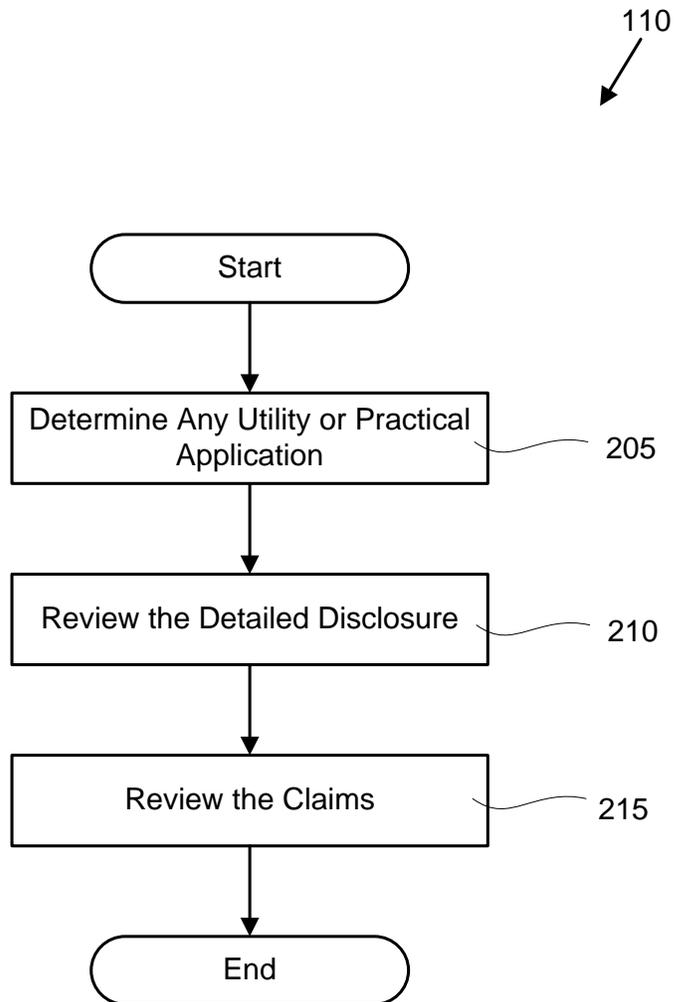
E. Anthony Figg  
Section Chair

**“Patent Application Examination Process”**  
Sheet 1 of 3



**FIG. 1**

**“Patent Application Examination Process”**  
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**FIG. 2**

"Patent Application Examination Process"  
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