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USPTO Issues New Subject Matter Eligibility Examination Interim Guidelines – Abstract Idea Guidance

On December 15, 2014, the USPTO issued Interim Guidance for examination of subject matter eligibility under 35 U.S.C. § 101. These new guidelines largely follow the previous interim guidelines issued on June 25, 2014, in view of *CLS v. Alice* (2014), with some additional details. The new guidelines have also combined that earlier guidance for claims reciting abstract ideas with the March 4, 2014, guidance for claims reciting natural phenomena/laws of nature.

Under the new guidelines, the examiner will first determine whether the claim is directed to one of the four accepted statutory categories. If it does, examiners are instructed to apply the 2-part patent-eligibility analysis, as articulated by the Supreme Court in *Alice*. Examiners are instructed to apply the 2-part analysis to the broadest reasonable interpretation of the claims when analyzed as a whole. Importantly, the Guidance also confirms that "[e]very claim must be examined individually, based on the particular elements recited therein, and should not be judged to automatically stand or fall with similar claims in an application."

Analysis for Software/Business Method Claims – Abstract Idea Guidance

To evaluate software and business method claims, the "abstract idea" analysis laid out in the Guidance will be the most relevant. To determine whether a claim recites an abstract idea, the 2-part *Alice* test is as follows: 1) determine whether the claims are directed to an abstract idea, and if they are, then 2) determine whether the claims recite additional elements that amount to significantly more than the abstract idea.

Part 1

In accordance with *Alice*, the Interim Guidance notes that fundamental economic practices, certain methods of organizing human activities, an idea 'of itself,' and mathematical relationships/formulas are recognized as abstract ideas. Citing previous cases, the Interim Guidance provides examiners with specific examples of abstract ideas:

- mitigating settlement risk (*Alice*);
- hedging (*Bilski*);
- creating a contractual relationship (*buySAFE*);
- using advertising as an exchange of currency (*Ultramercial*);
- processing information through a clearinghouse (*Dealertrack*);
- comparing new and stored information and using rules to identify options (*SmartGene*);
- using categories to organize, store and transmit information (*Cyberfone*);
- organizing information through mathematical correlations (*Digitech*);
- managing a game of bingo (*Planet Bingo*);
- the Arrhenius equation for calculating the cure time of rubber (*Diehr*);
- a formula for updating alarm limits (*Flook*);
- a mathematical formula relating to standing wave phenomena (*Mackay Radio*); and
- a mathematical procedure for converting one form of numerical representation to another (*Benson*).

Part 2

If no abstract idea is found in Part 1, then Part 2 need not be addressed. But if Part 1 identifies an abstract idea in the claims, Part 2 is considered. The Guidance stresses the importance of considering the claim as a whole, rather than addressing individual elements on their own.

The Guidance provides examples of limitations that may be enough to qualify as "significantly more" when recited in a claim. These examples include:

- improvements to another technology or technical field;
- improvements to the functioning of the computer itself;
- applying the abstract idea with, or by use of, a particular machine;
- effecting a transformation or reduction of a
- particular article to a different state or thing;
- adding a specific limitation other than what is well-understood, routine and conventional in the field, or adding unconventional steps that confine the claim to a particular useful application; and
- other meaningful limitations beyond generally linking the use of the abstract idea to a particular technological environment.

These examples are consistent with the recent *Federal Circuit Decision in DDR Holdings, LLC. v. Hotels.com* (DDR).

Limitations that do not qualify as "significantly more" include:

- adding the words "apply it" (or an equivalent) with the abstract idea, or mere instructions to implement an abstract idea on a computer;
- simply appending well-understood, routine and conventional activities previously known to the industry, specified at a high level of generality, to the abstract idea, e.g., a claim to an abstract idea requiring no more than a generic computer to perform generic computer functions that are well-understood, routine and conventional activities previously known to the industry;
- adding insignificant extrasolution activity to the abstract idea, e.g., mere data gathering in conjunction with the abstract idea; and
- generally linking the use of the abstract idea to a particular technological environment or field of use.

2-Part Analysis Not Always Necessary

According to the Interim Guidance, examiners do not need to perform the complete 2-part analysis when eligibility is self-evident. A full analysis may not be needed where the claims clearly do not preempt the abstract idea in such a manner that others cannot practice it. For instance, the interim guidelines note that a claim directed to a complex manufactured industrial product or process that recites meaningful limitations along with an abstract idea may sufficiently limit its practical application so that a full eligibility analysis is not needed. As an example, a robotic arm assembly having a control system that operates using certain mathematical relationships is not an attempt to tie up use of the mathematical relationships and would not require the examiner to perform the full 2-part analysis to determine eligibility.

Additional Resources

From the USPTO

- USPTO Director's blog
- USPTO Section 101 page
- Additional nature-based product examples

From Sterne Kessler

- What's Your IP Challenge?
- Our Services
- Our Industries
- Dig Deep

The Interim Guidance is effective on December 16, 2014 and is not legally binding. The USPTO is seeking public comments on this Interim Guidance along with additional suggestions on claim examples by March 15, 2015.

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