

Knobbe Martens

Knobbe Martens Webinar
Series: Strategic
Considerations in Patent
Subject Matter Eligibility Under
Section 101

October 29, 2020

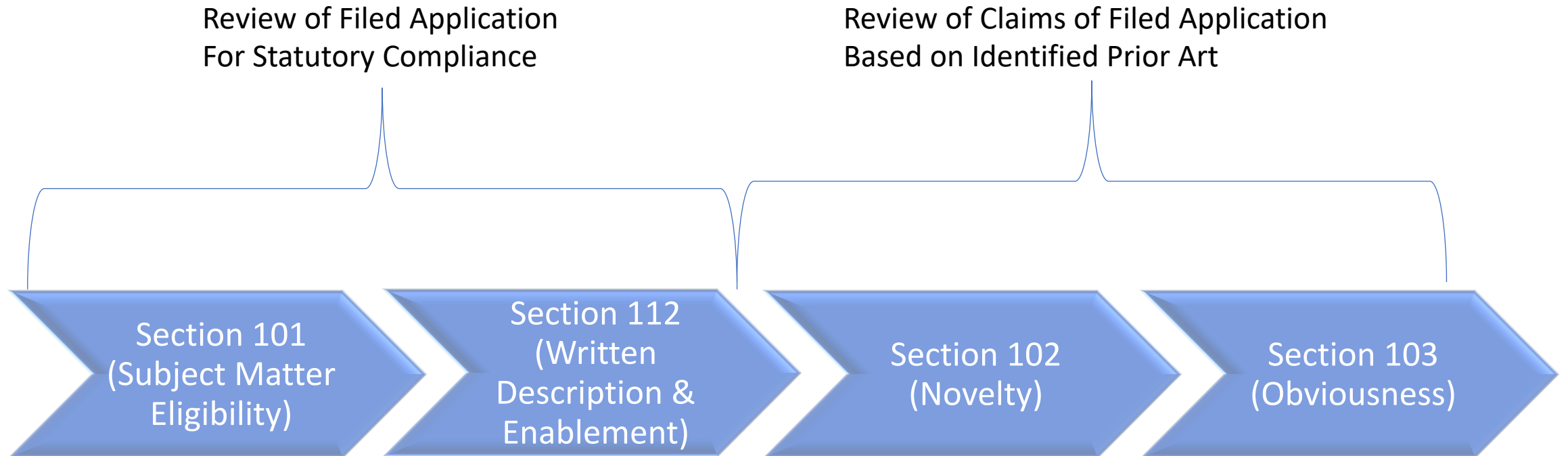
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- 1** Statutory Requirements and Historical Review of Subject Matter Eligibility Analysis in the United States
- 2** 2020 Revised Guidance and October Update
- 3** Prosecution and Drafting Tips

Statutory Requirements

Statutory Requirements – Patentability of Inventions



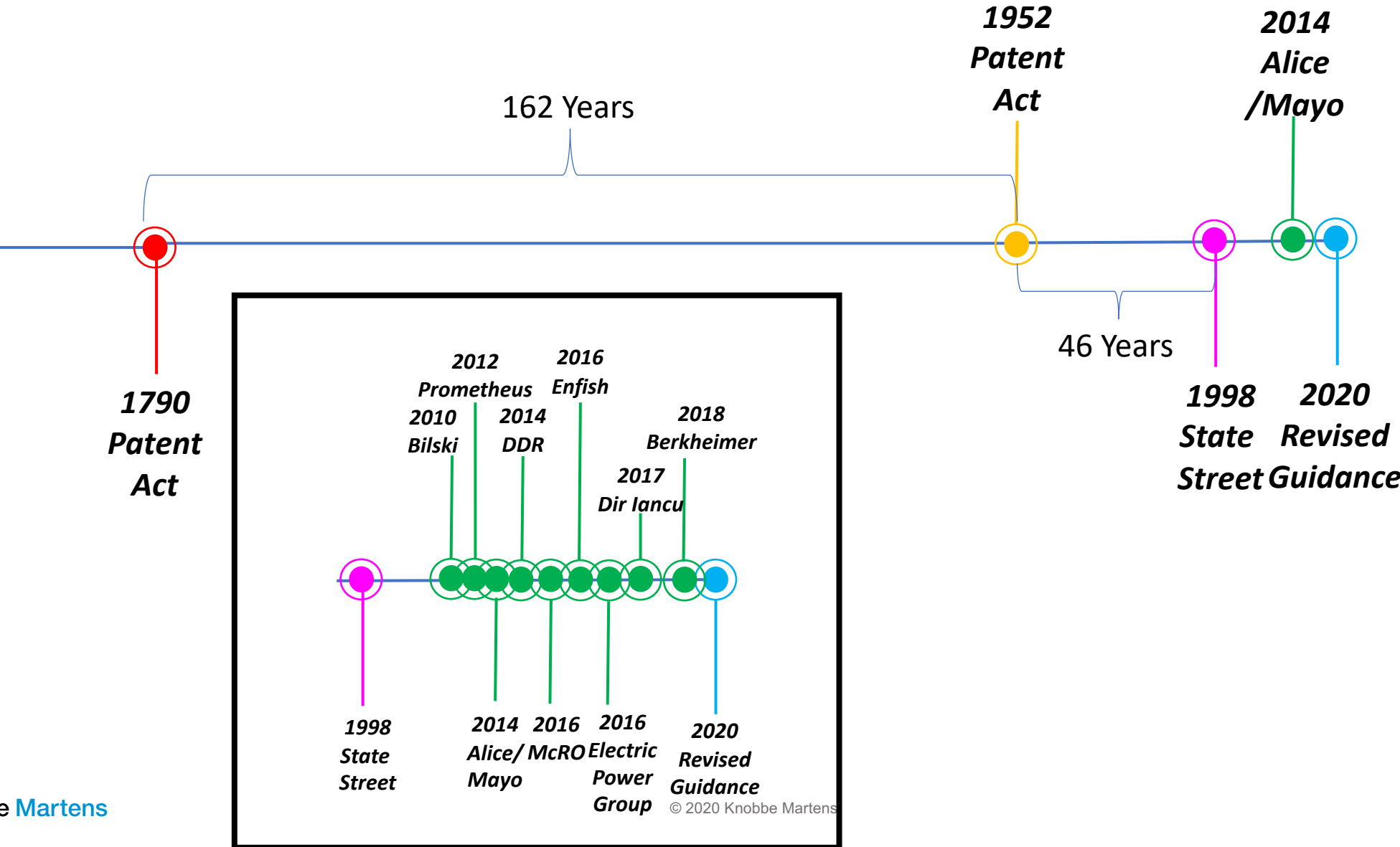
Statutory Requirements – Patentability of Inventions



35 U.S. Code §101

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.

How Did We Get Here? – Patent Subject Matter Eligibility



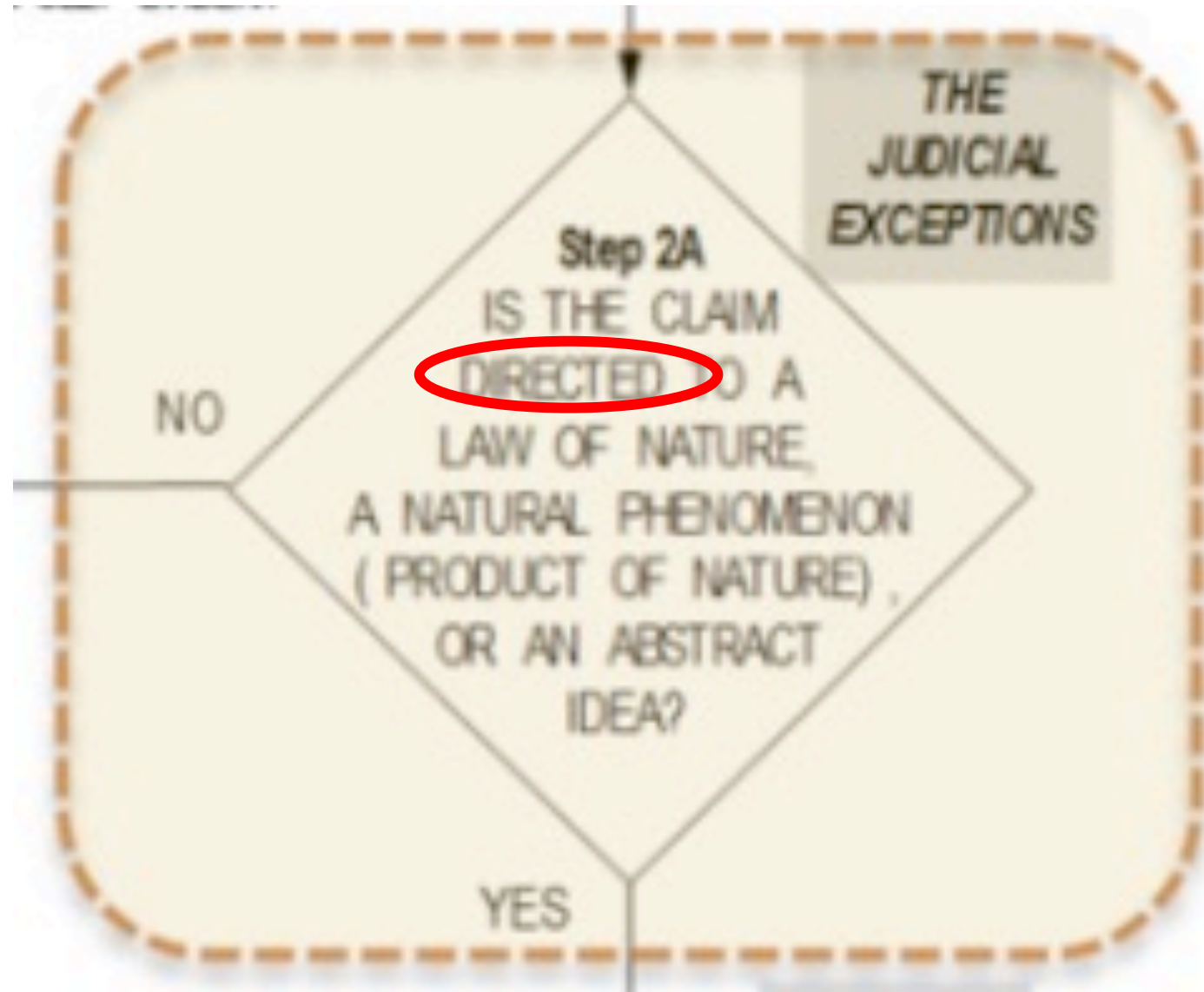
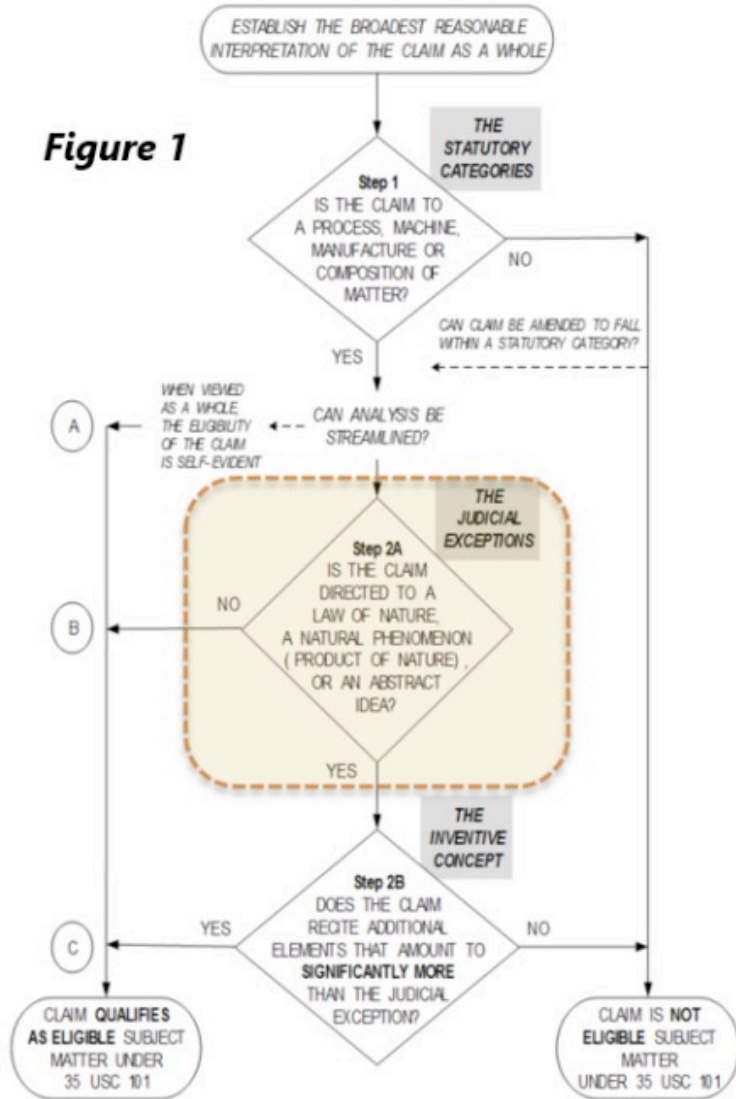
2020 Revised Guidance and October Update

2020 Revised Guidance

- Effective: January 7, 2020
- Comment Period: January 4, 2020 - March 9, 2020
- Purpose:
 - “The legal uncertainty surrounding Section 101 poses unique challenges for the USPTO, which must ensure that its more than 8500 patent examiners and administrative patent judges apply the Alice/Mayo test in a manner that produces reasonably consistent and predictable results across applications, art units and technology fields.”

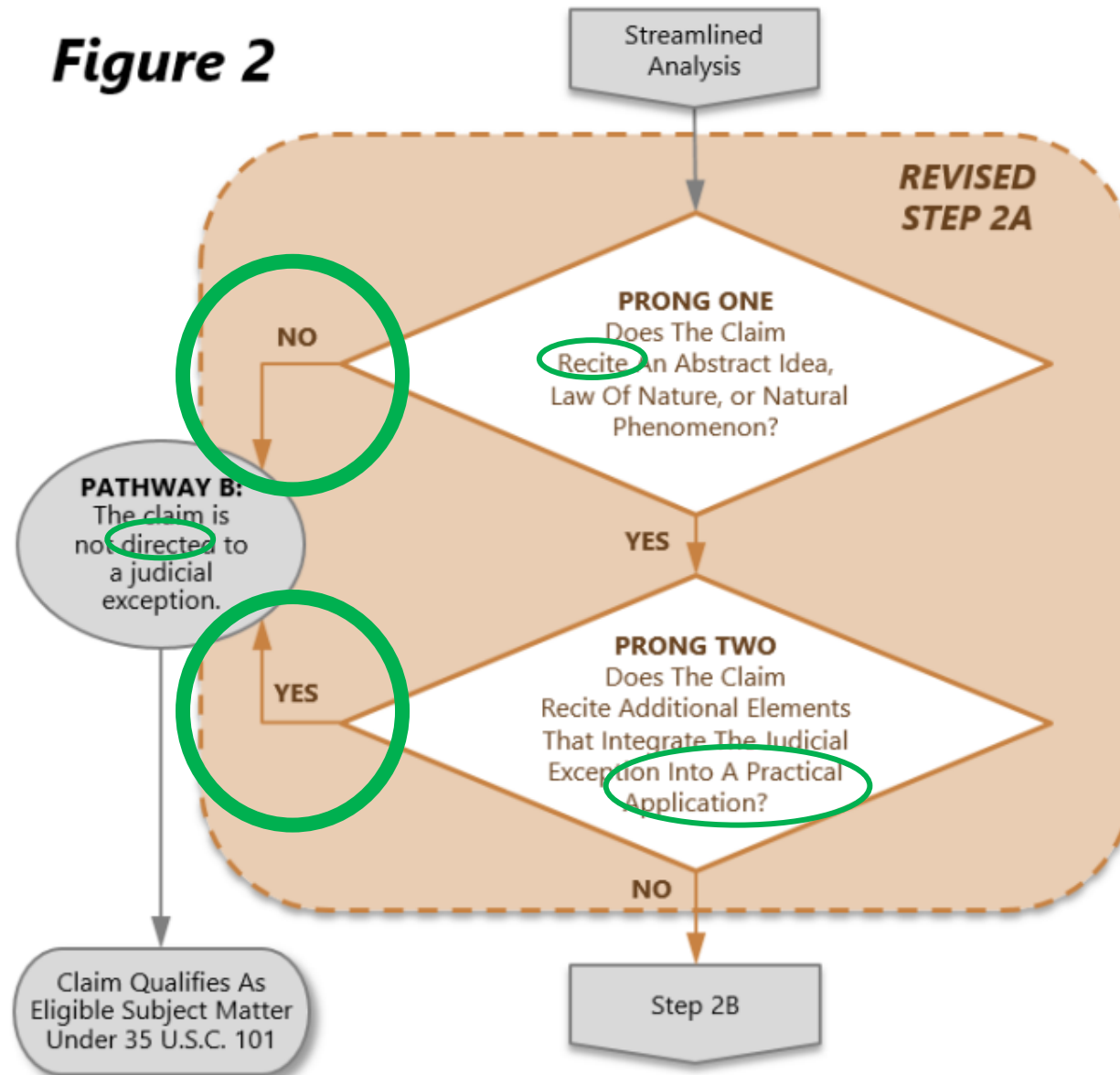
The Alice/Mayo 101 Analysis Framework

Figure 1



Revised Guidance - Creation of New 101 Analysis Framework

Figure 2



Examination of Application – USPTO’s Duty to Establish a Prima Facie Case

- Step 2A – Prong One
 - The rejection should identify the judicial exception (i.e., abstract idea enumerated in Section I of the 2020 PEG, laws of nature, or a natural phenomenon) by referring to what is recited (i.e., set forth or described) in the claim and explaining why it is considered to be an exception (Step 2A Prong One).
 - There is no requirement for the examiner to provide further support, such as publications or an affidavit or declaration under 37 CFR 1.104(d)(2), for the conclusion that a claim recites a judicial exception.
- Step 2A – Prong Two
 - The rejection should identify any additional elements recited in the claim beyond the judicial exception and evaluate the integration of the judicial exception into a practical application by explaining that 1) there are no additional elements in the claim; or 2) the claim as a whole, looking at the additional elements individually and in combination, does not integrate the judicial exception into a practical application using the considerations set forth in the 2020 PEG (Step 2A Prong Two).
- Step 2B – Significantly More
 - The examiner should explain why the additional elements, taken individually and in combination, do not result in the claim, as a whole, amounting to significantly more than the exception (Step 2B).

Key Decision Points After the 2020 Revised Guidance

Recite a Judicial Exception

- Identify specific limitation that is considered directed to abstract concept
- Limitations must be mapped to one of three Enumerated Groupings

Integrate a Practical Application

- Does identified limitation integrates judicial exception into a practical application?
- Well-understood, routine, conventional activities can satisfy this test

Significantly More

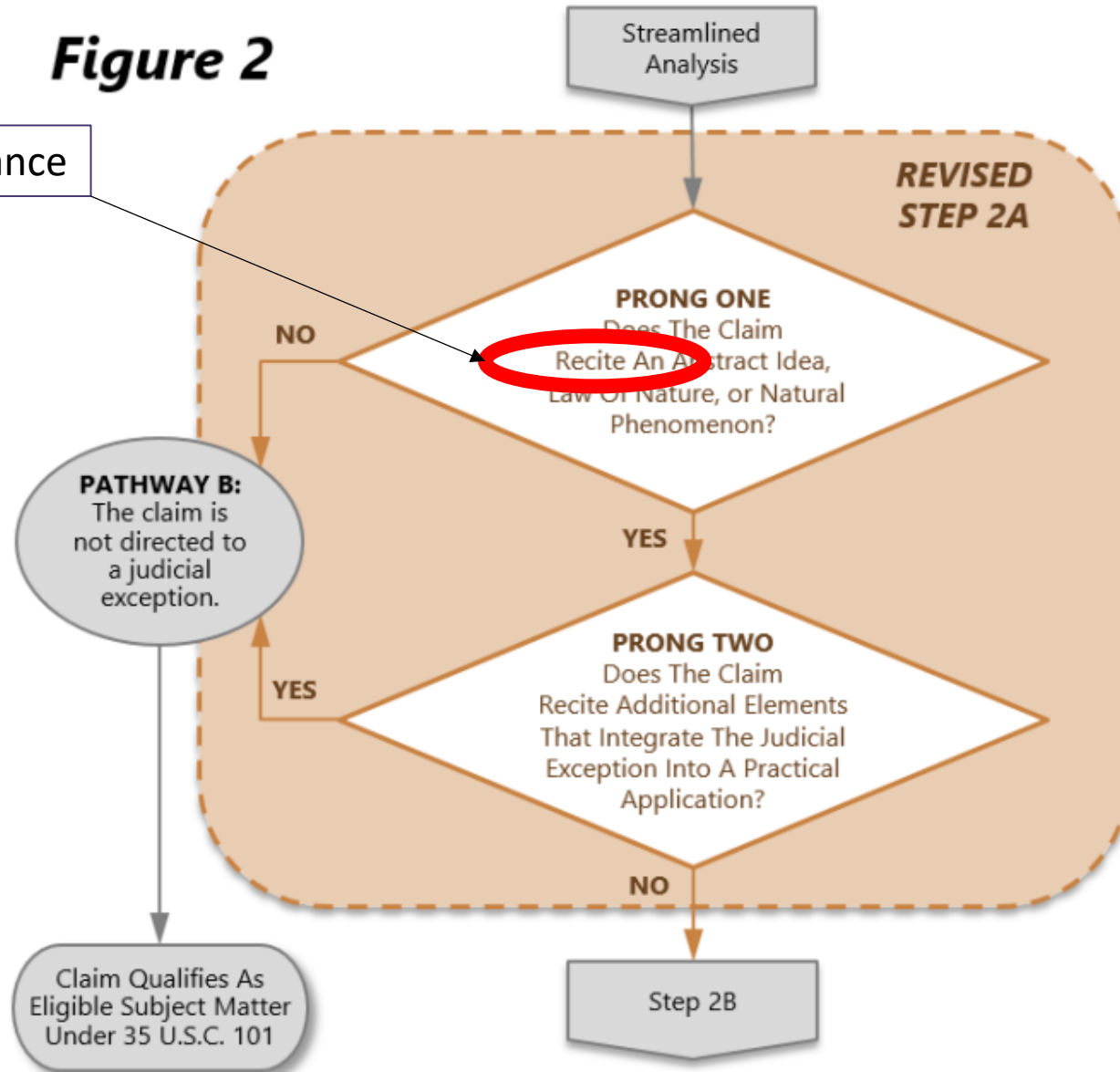
- Do remaining claim elements can establish significantly more” than the exception itself
- Claim limitations not satisfying practical application test can be considered for establishing significantly more

Discussion and Clarification of Revised Guidance

Revised Guidance – Step 2A – Prong One

Figure 2

Focal Point of Revised Guidance



Evaluation of Whether a Claim Recites a Judicial Exception

- Meaning of “Recites”
 - Step 2A – Prong One: Determine whether claim recites a judicial exception
 - Claim “recites” a judicial exception when the judicial exception is “set forth” or “described” in the claim
 - Set Forth – Claims clearly state the judicial exception (e.g., clearly state a mathematical equation)
 - Describe – Claims do not explicitly state the judicial exception but the concept of the judicial exception can be identified (e.g., recitation of the concept of intermediated settlement without recitation of the terms “intermediated” or “settlement”)
- Multiple Judicial Exceptions
 - Distinct claim elements can be treated separately
 - Examiners should not parse claims even if multiple groupings may apply
 - Examiners should consider the limitations together to avoid a plurality of separate abstract idea calculations

Judicial Exceptions – Subject Matter Groupings



MATHEMATICAL CONCEPTS

Mathematical relationships, mathematical formulas or equations, mathematical calculations;

CERTAIN METHODS OF ORGANIZING HUMAN ACTIVITY

Fundamental economic principles or practices (including hedging, insurance, mitigating risk); commercial or legal interactions (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations); managing personal behavior or relationships or interactions between people (including social activities, teaching, and following rules or instructions)

MENTAL PROCESSES

Concepts performed in the human mind (including an observation, evaluation, judgment, opinion)

Guidance on Mathematical Concepts – October Update

- Mathematical Concepts;
 - Mathematical relationships:
 - “A mathematical relationship is a relationship between variables or numbers. A mathematical relationship may be expressed in words or using mathematical symbols.”
 - Mathematical formulas or equations:
 - “A claim that recites a numerical formula or equation will be considered as falling within the “mathematical concepts” grouping. In addition, there are instances where a formula or equation is written in text format that should also be considered as falling within this grouping.”
 - Mathematical calculations:
 - “A claim that recites a mathematical calculation will be considered as falling within the “mathematical concepts” grouping. There is no particular word or set of words that indicates a claim recites a mathematical calculation.”
 - “For example, a step of “determining” a variable or number using mathematical methods or “performing” a mathematical operation may also be considered mathematical calculations when the broadest reasonable interpretation of the claim in light of the specification encompasses a mathematical calculation.”
- Examiners should consider whether the claim recites a mathematical concept or merely includes limitations that are based on or involve a mathematical concept.
 - Claims do not recite a mathematical concept if it is only based on or involves mathematical concepts

Guidance on Certain Methods of Organizing Human Activity

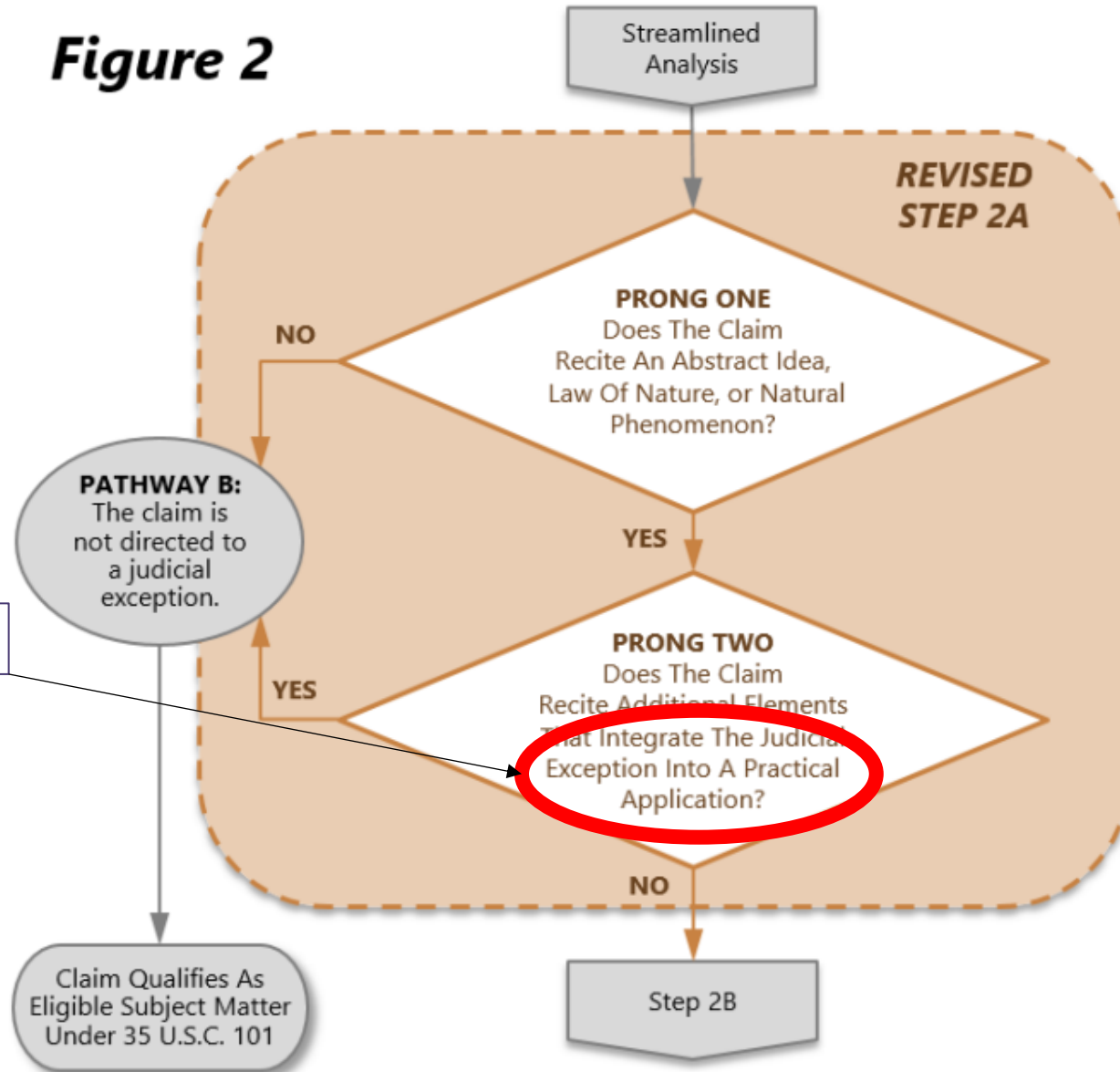
- The term “certain” qualifies the “certain methods of organizing human activity” grouping as a reminder of several important points.
- Not all methods of organizing human activity are abstract ideas (e.g., “a defined set of steps for combining particular ingredients to create a drug formulation” is not a “certain method of organizing human activity”).
- The grouping is limited to activity that falls within the enumerated sub-groupings of:
 - Fundamental economic principles or practices:
 - Subject matter related to hedging, insurance, and mitigating risk.
 - Examples 35 and 36
 - Commercial or legal interactions:
 - Subject matter relating to agreements in the form of contracts, legal obligations, advertising, marketing or sales activities or behaviors, and business relations.
 - Examples 6 and 7
 - Managing personal behavior or relationships or interactions between people:
 - Subject matter related to social activities, teaching, and following rules or instructions.
 - Examples 6, 7 and 42
- The grouping are not generally to be expanded beyond these

Guidance on Mental Processes

- Mental processes grouping is defined as concepts performed in the human mind, and examples of mental processes include observations, evaluations, judgments, and opinions.
- Claims do not recite a mental process when they do not contain limitations that can practically be performed in the human mind, for instance when the human mind is not equipped to perform the claim limitations.
- Claims can recite a mental process even if they are claimed as being performed on a computer.
- The use of a physical aid (i.e., the pen and paper) to help perform a mental step (e.g., a mathematical calculation) does not negate the mental nature of this limitation.

Revised Guidance – Step 2A – Prong Two

Figure 2



Focal Point of Revised Guidance

Step 2A – Prong 2 - Integration into Practical Application

Improvements in the Functioning of a Computer or Improvement to Other Technology

- “[A]n important consideration to evaluate when determining whether the claim as a whole integrates a judicial exception into a practical application is whether the claimed invention improves the functioning of a computer or other technology. The courts have not provided an explicit test for this consideration.”
- Test for Practical Application
 - Evaluate the specification to determine if the disclosure provides sufficient details such that one of ordinary skill in the art would recognize the claimed invention as providing an improvement.
 - Second, if the specification sets forth an improvement in technology, the claim must be evaluated to ensure that the claim itself reflects the disclosed improvement.
- “The “improvements” analysis in Step 2A determines whether the claim pertains to an improvement to the functioning of a computer or to another technology without reference to what is well-understood, routine, conventional activity.”
- “Improvement in the judicial exception itself (e.g., a recited fundamental economic concept) is not an improvement in technology.”

Step 2A – Prong 2 - Integration into Practical Application

Improvements in the Functioning of a Computer or Improvement to Other Technology

- Test for Practical Application
- Evaluating the specification
 - The specification need not explicitly set forth the improvement, but it must describe the invention such that the improvement would be apparent to one of ordinary skill in the art.
 - Conversely, if the specification explicitly sets forth an improvement but in a conclusory manner (i.e., a bare assertion of an improvement without the detail necessary to be apparent to a person of ordinary skill in the art), the examiner should not determine the claim improves technology.
- Claim Reflects the disclosed improvement.
 - The claim includes the components or steps of the invention that provide the improvement described in the specification.
 - The claim itself does not need to explicitly recite the improvement described in the specification (e.g., “thereby increasing the bandwidth of the channel”).

Step 2A – Prong 2 - Integration into Practical Application

Applying or Using a Judicial Exception to Effect a Particular Treatment or Prophylaxis for a Disease or Medical Condition

- “[A] a claim can integrate a judicial exception into a practical application by applying or using the judicial exception to effect a particular treatment or prophylaxis for a disease or medical condition.”
- Test for Practical Application
 - The Particularity Or Generality Of The Treatment Or Prophylaxis
 - The treatment or prophylaxis limitation must be “particular,” i.e., specifically identified so that it does not encompass all applications of the judicial exception(s).
 - Whether The Limitation(s) Have More Than A Nominal Or Insignificant Relationship To The Exception(s)
 - The treatment or prophylaxis limitation must have more than a nominal or insignificant relationship to the exception(s).
 - Whether The Limitation(s) Are Merely Extra-Solution Activity Or A Field Of Use
 - The treatment or prophylaxis limitation must impose meaningful limits on the judicial exception, and cannot be extra-solution activity or a field-of-use.

Role of Examples and Case Law in Interaction with the USPTO

- One Way Street – Can the USPTO Rely on Examples?
 - The examples below are hypothetical and only intended to be illustrative of the claim analysis under the 2020 PEG, and of the particular issues noted below in the Issue Spotting Chart. These examples should be interpreted based on the fact patterns set forth below as other fact patterns may have different eligibility outcomes. That is, it is not necessary for a claim under examination to mirror an example claim to be subject matter eligible under the 2020 PEG. All of the claims are analyzed for eligibility in accordance with their broadest reasonable interpretation.
- October Update – Steering Away from Case Law
 - As further explained in the 2020 PEG, the Office has shifted its approach from the case-comparison approach in determining whether a claim recites an abstract idea and instead uses enumerated groupings of abstract ideas. The enumerated groupings are firmly rooted in Supreme Court precedent as well as Federal Circuit decisions interpreting that precedent. By grouping the abstract ideas, the 2020 PEG shifts examiners' focus from relying on individual cases to generally applying the wide body of case law spanning all technologies and claim types. In sum, the 2020 PEG synthesizes the holdings of various court decisions to facilitate examination

Tips

Drafting Tips

Continue to review new disclosures with a critical eye (this advice has been consistent since Bilski)

Continue to use technical problem/technical solution approach

Look to include additional language/discussion helping support the “practical application”

The “practical application” should dovetail nicely with the “technical solution”

Prosecution Tips

Interview every 101 rejection as many Examiners are indicating that they will withdraw the 101 rejection without the need for further written argument

Be prepared to walk through the entire Revised Guidance analysis

For the time being, include arguments for why the claims recite patent eligible subject matter under BOTH the revised guidelines and the case law

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