



# Patent Litigation



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## The USPTO Offers Additional Clarifications on Patent Eligibility

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Since the U.S. Supreme Court issued its most recent ruling on patentable subject matter in June 2014, examiners, applicants, and practitioners have had a difficult time determining what is patentable subject matter. In *Alice Corp. v. CLS Bank*, the court held that a system or computer-readable medium invention may still be found patent ineligible if that invention is based on a method or process that is deemed patent ineligible. In response, the United States Patent and Trademark Office has issued a series of guidelines on patentable subject matter, and on July 30, 2015, the USPTO released [additional guidance](#) to further assist the examiners and applicants and practitioners regarding the 2014 Interim Guidance on Patent Subject Matter Eligibility (2014 IEG).

Although mainly prepared for the examiners, the USPTO released the 2014 IEG to summarize the teachings of a tetralogy of U.S. Supreme Court cases since 2010: *Bilski v. Kappos* (2010); *Mayo Collaborative Serv. v. Prometheus Labs., Inc.* (2012); *Association for Molecular Pathology v. Myriad Genetics, Inc.* (2013); and *Alice Corp. v. CLS Bank* (2014). Unfortunately, the 2014 IEG failed to achieve its intended goal of providing clear guidance to the examiners because, from practical experience, many examiners inconsistently applied the 2014 IEG. The

July 2015 update addresses questions and comments regarding the 2014 IEG, including (1) requests for additional examples, particularly for claims directed to abstract ideas and laws of nature; (2) further explanation of the markedly different characteristics (MDC) analysis; (3) further analysis regarding how examiners identify abstract ideas; (4) discussion of the *prima facie* case and the role of evidence with respect to eligibility rejections; (5) information regarding application of the 2014 IEG among the examiners; and (6) explanation of the role of preemption in the eligibility analysis, including a discussion of the streamlined analysis.

Among these updates, the USPTO explains how to identify abstract ideas, especially under what circumstances an examiner should use terms such as “fundamental economic practices” and “certain methods of organizing human activity,” among others, concepts that the Supreme Court found to be abstract and unpatentable. This welcome direction was missing in the 2014 IEG. The July 2015 update addresses [an issue that was raised by Loeb attorneys a year ago](#) when the USPTO [requested comments](#) on its June 2014 Instructions - specifically how to assign a

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proper burden on the examiners to raise an eligibility rejection. The USPTO's initiative to address this point will further formalize the overall patent eligibility inquiry during patent prosecution. Last, the July 2015 update provides additional examples of patent eligibility and clarifies "markedly different characteristics analysis," the "streamlined analysis," and the role of preemption.

Although this July 2015 update is long overdue, it nevertheless provides a reasonable contour to shape the new landscape created by *Alice* and others. Of course, further refinement is inevitable. But as courts decide more patent eligibility cases and the USPTO issues more guidance, the law is moving in the right

direction for analyzing what is patent-eligible subject matter.

For more information on the content of this alert, please contact [Adam Kelly](#), [William Kramer](#), or [Arthur Yuan](#).

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