

January 21, 2015

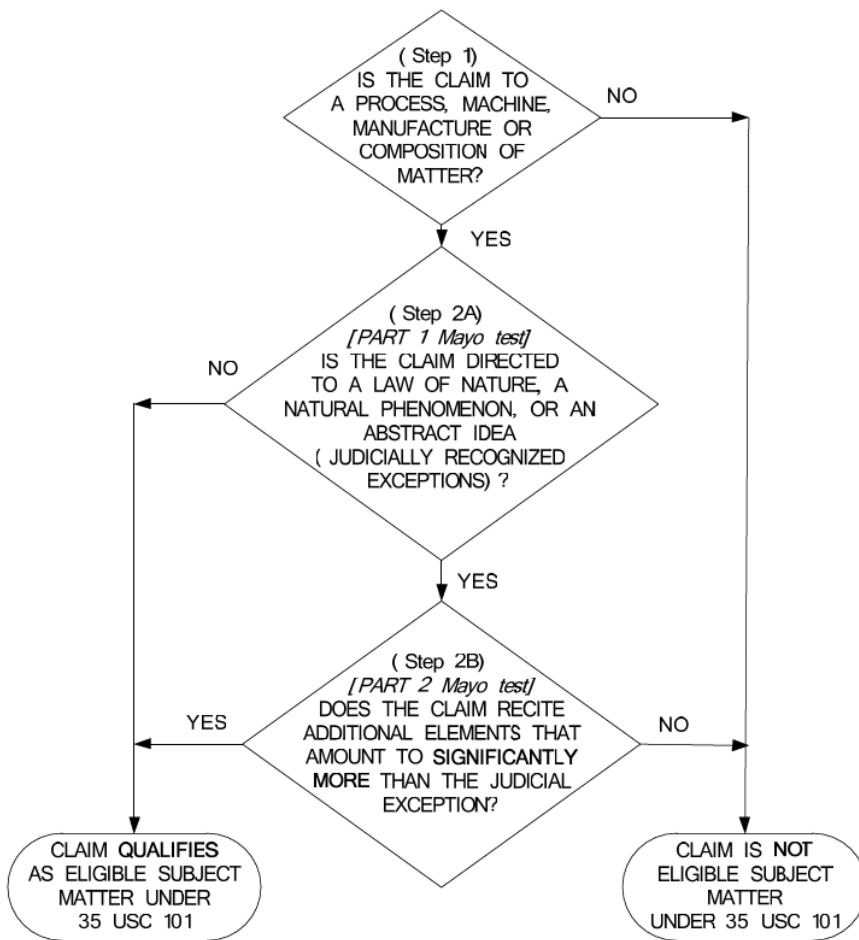
Recently patent practitioners and US Patent Office (PTO) examiners received additional, and much needed, guidance for determining whether certain types of inventions are eligible for patent protection. This came on December 14, 2014 by way of the PTO's long-awaited "2014 Interim Guidance on Patent Subject Matter Eligibility" (Interim Guidance).<sup>1</sup> Not surprisingly, the Interim Guidelines are controversial. They have been the topic of much discussion within the IP community, both in Silicon Valley and across the country. While some are pleased, others do not welcome the further clarification because they think that the law should speak for itself.

The Interim Guidance generally seeks to clarify how examiners should determine patent eligibility, supplementing the June 25, 2014 Preliminary Examination Instructions issued in view of *Alice Corp.*<sup>2</sup> The Interim Guidance also supersedes a controversial set of guidelines issued March 4, 2014<sup>3</sup> in view of *Mayo*<sup>4</sup> and *Myriad*<sup>5</sup>.

Among other details regarding subject matter recently analyzed by the United States Supreme Court and the Court of Appeals for the Federal Circuit, the Interim Guidance affirms that inventions involving software and life sciences can be patent eligible. As with all the major changes at the PTO of late, the PTO requested public input. The deadline for written comments is March 16, 2015, and the PTO will hold an Eligibility Forum today, January 21, 2015, broadcast on the internet<sup>6</sup>, in which Dentons' IP team will participate by representing the ABA Section of Intellectual Property Law and its policy.

The Interim Guidance and the tectonic shift in the case law affect all stakeholders, and thus it is imperative to thoroughly understand the current case law and consider weighing in on the Interim Guidance by commenting or taking other steps to influence legislative change on these important issues.

In an attempt to provide a roadmap to patent eligibility, the Interim Guidance summarizes the two-part test for patent eligibility as follows:<sup>7</sup>



For part one of the *Mayo* test, the Interim Guidance includes helpful lists of patent-ineligible concepts based heavily on recent Supreme Court and Federal Circuit case law:

- Laws of nature and natural phenomenon<sup>8</sup>
  - an isolated naturally-occurring DNA (*Myriad*)
  - a correlation that is the consequence of how a certain compound is metabolized by the body (*Mayo*)
  - electromagnetism to transmit signals (*Morse*<sup>9</sup>)
  - the chemical principle underlying the union between fatty elements and water (*Tilghman*<sup>10</sup>)
- Abstract ideas
  - mitigating settlement risk (*Alice*)
  - hedging (*Bilski*<sup>11</sup>)
  - creating a contractual relationship (*buySAFE*<sup>12</sup>)
  - using advertising as an exchange or currency (*Ultramercial*<sup>13</sup>)
  - processing information through a clearinghouse (*Dealertrack*<sup>14</sup>)
  - comparing new and stored information and using rules to identify options (*SmartGene*<sup>15</sup>)
  - using categories to organize, store and transmit information (*Cyberfone*<sup>16</sup>)

- organizing information through mathematical correlations (*Digitech*<sup>17</sup>)
- managing a game of bingo (*Planet Bingo*<sup>18</sup>)
- the Arrhenius equation for calculating the cure time of rubber (*Diehr*<sup>19</sup>)
- a formula for updating alarm limits (*Flook*<sup>20</sup>)
- a mathematical formula relating to standing wave phenomena (*Mackay Radio*<sup>21</sup>)
- a mathematical procedure for converting one form of numerical representation to another (*Benson*<sup>22</sup>)

Here, the PTO significantly deviated from the superseded *Mayo/Myriad* guidelines, which required the examiner to reject a claim that either recited a patent-ineligible concept or did not add significantly more to a patent-ineligible concept. Now, claims that do not recite a patent-ineligible concept, *i.e.*, part one of the *Mayo* test, are patent eligible and examiners need not move to part two. For those inventions that do not “tie up” the subject matter of the identified “abstract idea,” the invention does not prevent others from using that abstract idea and may be subject to a streamlined analysis.

Similarly, for part two of the *Mayo* test, the Interim Guidance provided non-specific examples of what does constitute “significantly more” than an abstract idea:

- Improvements to another technology or technical field (*Alice*)
- Improvements to the functioning of the computer itself (*Alice*)
- Applying the judicial exception with, or by use of, a particular machine (*Bilski*)
- Effecting a transformation or reduction of a particular article to a different state or thing (*Diehr*)
- 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 (*Mayo*)
- Other meaningful limitations beyond generally linking the use of the judicial exception to a particular technological environment (*Alice*)

In addition, the Interim Guidance provides two new specific examples of what does constitute patent-eligible subject matter:

1. a robotic arm programmed using “certain mathematical relationships”
2. an artificial hip covered with a naturally occurring mineral

The examples of what *does not* constitute “significantly more” simply reiterated the established case law:

- Adding the words “apply it” (or an equivalent) with the judicial exception, or mere instructions to implement an abstract idea on a computer (*Alice*)
- Simply appending well-understood, routine and conventional activities previously known to the industry, specified at a high level of generality, to the judicial exception, *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 (*Alice*)
- Adding insignificant extra-solution activity to the judicial exception, *e.g.*, mere data gathering in conjunction with a

law of nature or abstract idea (*Mayo*)

- Generally linking the use of the judicial exception to a particular technological environment or field of use (*Mayo*)

The PTO is currently formulating additional, unique examples of patent-eligible subject matter, and stakeholders can contribute suggestions for the final guidelines. Kevin Greenleaf of the Dentons Intellectual Property and Technology Group chairs the ABA Section of Intellectual Property Law's Committee on Patent System Policy Planning, assisting in defining the Section's policy on 35 U.S.C. § 101 and other issues. He and the Dentons team are available to work with clients and others to draft comments in response to the Interim Guidance. There is a March 16, 2015 deadline for submitting comments, and the PTO will receive comments from any stakeholders during that period.

The Supreme Court made tumultuous changes to patent eligibility, and stakeholders currently have an opportunity, beyond responding to PTO office actions, to assist the PTO, courts and Congress in navigating this complex and important area of law as it is developed. Significantly, the time to act is now, as all the major IP associations, interested stakeholders and Congress are currently considering patent eligibility, and providing comments is an effective tool to participate in the process.

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1. **2014 Interim Guidance on Patent Subject Matter Eligibility, 79 Fed. Reg. 241, 74618–74633.**
  2. *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. \_\_ (2014).
  3. [http://www.uspto.gov/patents/law/exam/myriad-mayo\\_guidance.pdf](http://www.uspto.gov/patents/law/exam/myriad-mayo_guidance.pdf).
  4. *Mayo Collaborative Serv. v. Prometheus Labs., Inc.*, 566 U.S. \_\_ (2012).
  5. *Association for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. \_\_ (2013).
  6. The WebEx is from 1pm – 5pm EST at [http://www.uspto.gov/patents/law/exam/interim\\_guidance\\_subject\\_matter\\_eligibility.jsp](http://www.uspto.gov/patents/law/exam/interim_guidance_subject_matter_eligibility.jsp).
  7. See also, quick reference guide: [http://www.uspto.gov/patents/law/exam/2014\\_eligibility\\_qrs.pdf](http://www.uspto.gov/patents/law/exam/2014_eligibility_qrs.pdf).
  8. The PTO published additional examples of “nature-based products” on its website: [http://www.uspto.gov/patents/law/exam/mdc\\_examples\\_nature-based\\_products.pdf](http://www.uspto.gov/patents/law/exam/mdc_examples_nature-based_products.pdf).
  9. *O'Reilly v. Morse*, 56 U.S. 62 (1853).
  10. *Tilghman v. Proctor*, 102 U.S. 707 (1881).
  11. *Bilski v. Kappos*, 561 U.S. 593 (2010).
  12. *buySAFE, Inc. v. Google, Inc.*, \_\_ F.3d \_\_, 112 USPQ2d 1093 (Fed. Cir. 2014).
  13. *Ultramercial, LLC v. Hulu, LLC and WildTangent*, \_\_ F.3d \_\_, 112 USPQ2d 1750 (Fed. Cir. 2014).
  14. *Dealertrack Inc. v. Huber*, 674 F.3d 1315 (Fed. Cir. 2012).
  15. *SmartGene, Inc. v. Advanced Biological Labs., SA*, 555 Fed. Appx. 950 (Fed. Cir. 2014) (nonprecedential).
  16. *Cyberfone Sys. v. CNN Interactive Grp.*, 558 Fed. Appx. 988 (Fed. Cir. 2014) (nonprecedential).
  17. *Digitech Image Tech., LLC v. Electronics for Imaging, Inc.*, 758 F.3d 1344 (Fed. Cir. 2014).
  18. *Planet Bingo, LLC v. VKGS LLC*, \_\_ Fed. Appx. \_\_ (Fed. Cir. 2014) (nonprecedential).
  19. *Diamond v. Diehr*, 450 U.S. 175 (1981).
  20. *Parker v. Flook*, 437 U.S. 584 (1978).
  21. *Mackay Radio & Tel. Co. v. Radio Corp. of Am.*, 306 U.S. 86 (1939).
  22. *Gottschalk v. Benson*, 409 U.S. 63 (1972).

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