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## According to the Patent Office, Claiming an Abstract Idea May Still Be Patentable, Will Anyone Else Agree?

**Legal Update**

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The U.S. Patent and Trademark Office (the Office) issued interim guidelines to its Examiners following the U.S. Supreme Court's unanimous decision in *Alice v. CLS*. *Alice* ruled that software claims directed to an abstract idea merely implemented on a computer did not transform that idea to a patentable invention.

The Office told its Examiners that *Alice* did not create a *per se* excluded category of subject matter, such as software or business methods; nor did it impose any special requirements for software or business methods.

The Office stated that the Supreme Court made it clear that any claim involving one of the three exceptions to patentability – law of nature, natural phenomena or abstract idea – should all be analyzed under the *Mayo v. Prometheus* standard for subject matter eligibility, superseding previous Office instructions that abstract ideas should be analyzed under the *Bilski* standard.

The Office stated that its new guidelines differ from its prior guidance in two ways:

1) The same analysis should be used for all types of judicial exceptions, whereas previously a different analysis was used for abstract idea claims (*Bilski*) than laws of nature claims (*Mayo*).

2) The same analysis should be used for all categories of claims (*e.g.*, product and process claims), whereas previously a different analysis was used for product claims involving abstract ideas versus process claims.

Following *Alice*, the Office will now analyze all claims (product and process) having an abstract idea using the following two-part analysis set forth in *Mayo*.

**Part 1:** Determine whether the claim is directed to an abstract idea.

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As emphasized in *Alice*, abstract ideas are excluded from eligibility based on a concern that monopolization of the basic tools of scientific and technological work might impede innovation more than it would promote it. At the same time, the courts have tread carefully in construing this exclusion because, at some level, all inventions embody, use, reflect, rest upon or apply abstract ideas and the other exceptions. Thus, an invention is not rendered ineligible simply because it involves an abstract concept. In fact, inventions that integrate the building blocks of human ingenuity into something more by applying the abstract idea in a meaningful way are eligible.

Several nonexclusive examples of what constitutes an abstract idea were given in *Alice*:

- Fundamental economic practices;
- Certain methods of organizing human activities;
- “[A]n idea of itself; and,
- Mathematical relationships/formulas.

**Part 2:** If an abstract idea is present in the claim, determine whether any element, or combination of elements, in the claim is sufficient to ensure that the claim amounts to **significantly more** than the abstract idea itself. Are there other limitations in the claim that show a patent-eligible application of the abstract idea. The claim should be considered as a whole by considering all claim elements, both individually and in combination.

Several nonexclusive limitations were given in *Alice* as limitations that may be enough to qualify as “significantly more”:

- Improvements to another technology or technical field;
- Improvements to the functioning of the computer itself;
- Meaningful limitations beyond generally linking the use of an abstract idea to a particular technological environment.

And several limitations were given as example of what is not enough to qualify as “significantly more”:

- Adding the words “apply it” (or an equivalent) with an abstract idea, or mere instructions to implement an abstract idea on a computer;
- 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.

If it is found that there are no meaningful limitations in the claim that transform the exception into a patent eligible application such that the claim amounts to significantly more than the exception itself, the claim should be rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

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The Office's interpretation is certainly not the last word on what constitutes patentable software. It will be interesting to see how the Patent Trial and Appeal Board (PTAB) interprets *Alice*. The PTAB is not bound by the Office's interpretation and they have been aggressive at invalidating claims in recently available post-grant proceedings under the AIA.