# ARE Patent Law Alert:
# USPTO Issues Preliminary Examination Instructions In View of Supreme Court Decision in *Alice Corporation Pty. Ltd. v. CLS Bank Int'l, et al.*

Author(s): Charles R. Macedo,

In view of the U.S. Supreme Court's recent decision in *Alice Corporation Pty. Ltd. v. CLS Bank Int'l, et al.*, No. 13-298, 573 U.S. __ (June 19, 2014), holding that the claims of a computer-implemented invention drawn to nothing more than an abstract idea are not patent-eligible under 35 U.S.C. § 101, the United States Patent and Trademark Office ("USPTO") has issued preliminary instructions relating to subject matter eligibility of claims involving computer-implemented abstract ideas. For more information on the U.S. Supreme Court's decision in *Alice*, see our ARE Patent Law Alert: Supreme Court Finds Alice's Computer Implemented Claims To Be Patent-Ineligible Under 35 U.S.C § 101 As An Abstract Idea.

The USPTO's memorandum can be found here: http://www.uspto.gov/patents/announce/alice_pec_25jun2014.pdf. Please note that these guidelines are still the subject of public comment, and thus are not yet final.

## The USPTO's Preliminary Examination Instructions

The USPTO now provides the following guidance:

Under the USPTO's new guidelines, Examiners should apply the same analysis, as set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. __ (2012), to all claims whether for abstract ideas, laws of nature or natural phenomena. This same analysis should also be applied to all categories of claims (*e.g.*, product and process claims).

Despite the above change, the USPTO explains that the basic test for determining subject matter eligibility remains the same:

1. Is the claim directed to one of the approved statutory categories (process, machine, manufacture, or composition of matter); and
2. Is the claim directed to a judicial exception to patent eligibility (abstract idea, law of nature or natural phenomena), and if so, is it a patent eligible application of the exception.

With respect to the second question, the USPTO instructs practitioners to follow the two-part test set forth in *Mayo* and expressed in *Alice*. Specifically, determine if the claim is "directed to" an abstract idea and if so, does the claim amount to "significantly more than the abstract idea itself." In other words, are there meaningful limitations in the claim "that show a patent-eligible application of the abstract idea, e.g., more than a mere instruction to apply the abstract idea?"

The USPTO points out that the following limitations referenced in *Alice* may constitute "significantly more" when included in a claim with an abstract idea:

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

In contrast, the USPTO points out that following limitations do not qualify as "significantly more" when included in a claim with an abstract idea:

- 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.

## Practical Significance

The law of patent-eligibility has been very fluid over the past decade. *Alice* has continued to shift the waters in this area.

The USPTO's Preliminary Examination Instructions provide some insight on how, at least for the near term, the USPTO proposes Examiners handle patent-eligibility issues. As the Judge-made law in this area continues to evolve, no doubt the practice before the USPTO and Court will also continue to change.

We note that any member of the public may submit written comments on the Preliminary Examination Instructions in view of *Alice* until July 31, 2014. We will continue to follow this development.

In the meantime, please feel free to contact our attorneys regarding issues raised by these guidelines.

---

Charles R. Macedo is a partner and Jessica Capasso is an associates at Amster, Rothstein & Ebenstein LLP. Their practice specializes in

intellectual property issues including litigating patent, copyright, trademark, and other intellectual property disputes. They may be reached at cmacedo@arelaw.com and jcapasso@arelaw.com.

Mr. Macedo was counsel of record for the New York Intellectual Property Law Association in various amicus submissions to the Federal Circuit and the U.S. Supreme Court in the Alice action and other patent-eligibility litigation.