

USPTO's 2019 Revised Section 101 Guidance

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The USPTO issued new [2019 Revised Patent Subject Matter Eligibility Guidance](#) on January 4, 2019 (hereinafter “2019 Revised Guidance”) ([84 Fed. Reg. 50](#), at 50-57). The 2019 Revised Guidance presents a substantial shift in the analysis of claims for subject matter eligibility under [35 U.S.C. § 101](#). The 2019 Revised Guidance begins by noting the old approach of evaluating claims for subject matter eligibility has “become impractical. The Federal Circuit has now issued numerous decisions identifying subject matter as abstract or non-abstract in the context of specific cases, and that number is continuously growing. In addition, similar subject matter has been described both as abstract and not abstract in different cases. The growing body of precedent has become increasingly more difficult for examiners to apply in a predictable manner, and concerns have been raised that different examiners within and between technology centers may reach inconsistent results.” *Id.* at 52. To provide a straight-forward and applicable test, the 2019 Revised Guidance changes the emphasis of the test without changing the underlying law. “The USPTO’s ultimate goal is to draw distinctions between claims to principles in the abstract and claims that integrate those principles into a practical application.” *Id.* at 51. As will be seen below, it is this distinction and the identification of practical applications that changes the analysis performed in determining subject matter eligibility.

The 2019 Revised Guidance supersedes the old guidance. Specifically, the new guidance emphasizes that the old guidance is superseded “to the extent [the old guidance] equates claims ‘reciting’ a judicial exception with claims ‘directed to’ a judicial exception.” *Id.* at 51. While this is a significant change, the USPTO emphasizes that “any claim considered patent eligible under prior guidance should be considered patent eligible under this guidance.” *Id.* at 51.

In general, the 2019 Revised Guidance provides three significant changes to the subject matter eligibility analysis. First, alleged abstract ideas *must be recited as such in the claims*. No longer can abstract ideas be drafted by examiners through summarizing or generalizing the claims. Second, the claim limitation identified as an abstract idea must be evaluated to *determine whether the claim limitation is within three enumerated categories*. This is called “Prong 1 of Step 2A.” If the claim limitation is not within one of the categories, save for a rare exception discussed below, the claim is allowable. Third, if the claim limitation is within one of the categories, the additional elements (those claim limitations beyond the claim limitation identified as an alleged abstract idea) are identified to determine whether the additional elements *integrate the abstract idea into a practical application*. This is called “Prong 2 of Step 2A.” If the additional elements integrate the abstract idea into a practical application, the claim is allowable. If the additional elements do not integrate the abstract idea into a practical application, the additional elements may nonetheless render the claimed subject matter eligible if the additional elements are not well-understood, routine or conventional. This is Step 2B of the *Alice/Mayo* framework.

Step 2A

A significant change that appears in the 2019 Revised Guidance is that any abstract idea must be *recited as such* in the claim. Unlike the old approach, in which the claim could be summarized into an alleged abstract idea, under the new guidance the abstract idea must appear verbatim in the claim. The 2019 Revised Guidance “extracts and synthesizes key concepts identified by the courts as abstract ideas to explain that the abstract idea exception includes the following groupings of subject matter, when recited as such in a claim limitation(s) (that is, when recited on their own or per se).” *Id.* at 52. Thus, if an alleged abstract idea is

not recited on its own or per se, it is not considered an abstract idea for purposes of subject matter eligibility analysis.

Under the 2019 Revised Guidance, an examiner must “[i]dentify the specific limitation(s) in the claim under examination (individually or in combination) that the examiner believes recites an abstract idea.” *Id.* at 54. Thus, there is no summarization of the claims allowed in identifying the abstract idea. Instead, verbatim claim limitations must be considered as either constituting an abstract idea or not.

Prong 1 of Step 2A

Another significant change in the 2019 Revised Guidance is the designation of a two-prong test within Step 2A of the *Alice/Mayo* framework. Once an alleged abstract idea has been identified as one or more verbatim claim limitations, the Examiner must “determine whether the identified limitation(s) falls within the subject matter groupings of abstract ideas enumerated in Section I.” *Id.* at 54. For the alleged abstract idea to be treated as such (except for a rare exception discussed below), the alleged abstract idea must be within one of the three enumerated categories. The Section I categories are as follows:

- Category 1: “Mathematical Concepts – mathematical relationships, mathematical formulas or equations, mathematical calculations.” *Id.* at 52.
- Category 2: “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).” *Id.* at 52.
- Category 3: “Mental processes – concepts performed in the human mind (including an observation, evaluation, judgment, opinion).” *Id.* at 52.

While these abstract ideas were previously identified by the courts, their categorization is new to the 2019 Revised Guidance. The Section I Categories are used to ensure that examiners are not alleging abstract ideas beyond those already identified by the courts. Specifically, the 2019 Revised Guidance states that “[c]laims that do not recite matter that falls within these enumerated groupings of abstract ideas should not be treated as reciting abstract ideas.” *Id.* at 53. An exception to this directive is allowed only in rare circumstances. If an alleged abstract idea is outside the Section I Categories, the rejection “must be approved by the Technology Center Director (which approval will be indicated in the file record of the application), and must provide a justification for why such claim limitation is being treated as reciting an abstract idea.” *Id.* at 57.

Prong 2 of Step 2A

The second prong of Step 2A, according to the 2019 Revised Guidance, is to determine if the abstract idea is *integrated into a practical application*. The 2019 Revised Guidance is essentially defining being “directed to” an abstract idea as being more than *mere recitation* of the abstract idea. Importantly, a claim is not “directed to” an abstract idea if it is instead integrated into a practical application. If the claim is integrated into a practical application, the claim is allowable. This is another significant change over the old approach, as confirmed by the 2019 Revised Guidance: “Prong Two represents a change from prior guidance.” *Id.* at 54. “This analysis is performed at USPTO Step 2A, and incorporates certain considerations that have been applied by the courts at step one and at step two of the *Alice/Mayo* framework.” *Id.* at 53.

The crux of the Prong 2 analysis is a distinction between a principle and the integration of that principle into a practical application. “The Supreme Court has long distinguished between principles themselves (which are not patent eligible) and the integration of those principles into practical applications (which are patent eligible).” *Id.* at 53. Thus, even if an abstract idea is recited verbatim in the claim, the claim is nonetheless allowable if additional elements that integrate the abstract idea into a practical application are also in the claim.

“A claim that integrates a judicial exception into a practical application will apply, rely on, or use the judicial exception in a manner that imposes a meaningful limit on the judicial exception, such that the claim is more than a drafting effort designed to monopolize the judicial exception.” *Id.* at 54. Thus, in determining whether a specific claim element, identified above as an alleged abstract idea, is also integrated into a practical application, “examiners should give careful consideration to both the element and how it is used or arranged in the claim as a whole.” *Id.* at 55.

The analysis to determine integration into a practical application is done by identifying “additional elements recited in the claim beyond the” abstract idea and then “evaluating those additional elements individually and in combination” to determine whether they integrate the abstract idea into a practical application. *Id.* at 54-55. This consideration must be given for “all additional elements, whether or not they are conventional.” *Id.* at 55.

Examples of additional elements (i.e., the claim limitations beyond those limitations designated as an abstract idea), which integrate abstract ideas into practical applications as found by the courts, is provided in 2019 Revised Guidance. Provided examples include:

- “Improvement in the functioning of a computer, or an improvement to other technology or technical field.” *Id.* at 55.
- Applying or using “a judicial exception to effect a particular treatment or prophylaxis for a disease or medical condition.” *Id.* at 55.
- Implementing or using a judicial exception with “a particular machine or manufacture that is integral to the claim.” *Id.* at 55.
- Transforming or reducing “a particular article to a different state or thing” *Id.* at 55.
- Applying or using the abstract idea “in some other meaningful way beyond generally linking the use of the judicial exception to a particular technological environment, such that the claim as a whole is more than a drafting effort designed to monopolize the exception.” *Id.* at 55.

The 2019 Revised Guidance also provides examples of additional elements that were found to *not* integrate an abstract idea into a practical application, as found by the courts. The examples provided include:

- Reciting “the words ‘apply it’ (or an equivalent)” with the abstract idea, including “instructions to implement an abstract idea on a computer,” or merely using “a computer as a tool to perform an abstract idea.” *Id.* at 55.
- Adding “insignificant extra-solution activity to the judicial exception.” *Id.* at 55.
- Generally linking “the use of a judicial exception to a particular technological environment or field of use.” *Id.* at 55.

It should be noted that both of the above lists are *not* “exclusive,” but merely illustrative. *Id.* at 55. Unlike the Section I Categories discussed above, there is no requirement that the practical application be analogous to or fit into any of the above examples. Thus, any additional elements that integrate the abstract idea into a practical application may be identified. There is no requirement that the additional elements be inventive. “[A] claim that includes conventional elements may still integrate an exception into a practical application, thereby satisfying the subject matter eligibility requirement of Section 101.” *Id.* at 55.

The 2019 Revised Guidance emphasizes that “[i]t is critical that examiners consider the claim as a whole when evaluating whether the judicial exception is meaningfully limited by integration into a practical application of the exception. Some elements may not be enough on their own to meaningfully limit an exception” but a “combination of elements” may. *Id.* at 55. This practical application step is a significant and important change to the guidance for this determination.

“If the recited exception is integrated into a practical application of the exception, then the claim is eligible at Prong Two of revised Step 2A. This concludes the eligibility analysis.” *Id.* at 54. Thus, the only claims that will fail to be eligible at Prong 2 of Step 2A are those in which no practical application is present.

Step 2B

If the Examiner determines that a specific claim element or elements verbatim recites an abstract idea, the identified abstract idea is within one of the three Section I Categories, and there are no additional elements beyond that abstract idea that integrate the abstract idea into a practical application, the claim may nonetheless be eligible subject matter. If there is no practical application, but the “claims provide ‘significantly more’ than the recited judicial exception (e.g., because the additional elements were unconventional in combination),” then the claims pass Step 2B of the *Alice/Mayo* framework. *Id.* at 56.

The Step 2B analysis did not significantly change from the previous guidance. At this step, the Examiner is to “evaluate the additional elements individually and in combination under Step 2B to determine whether they provide an inventive concept (i.e., whether the additional elements amount to significantly more than the exception itself).” *Id.* at 56. Thus, even non-practical additional elements can provide inventive concepts if the additional element “adds a specific limitation or combination of limitations that are not well-understood, routine, conventional activity in the field, which is indicative that an inventive concept may be present.” *Id.* at 56.

The 2019 Revised Guidance provides a significant advancement by the Patent Office. Practitioners should be able to use the Guidance to clearly articulate why an invention is patent eligible, in addition to providing better boundaries for counseling clients on patent eligibility.

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