

New 101 Guidelines Give Applicants Two Bites at the Apple at Step 2A

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Article
1.9.19

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On January 7, 2019, the United States Patent and Trademark Office (USPTO) published its “2019 Revised Patent Subject Matter Eligibility Guidance” (“Guidance”) in an effort to provide more consistency and predictability in the analysis of whether subject matter is patent eligible under 35 U.S.C. § 101. 84 Fed. Reg. 50.

The Guidance maintains Step 1 of the subject matter eligibility test as discussed in the Manual of Patent Examining Procedure (MPEP) at § 2106, namely that the claims must be directed to a process, machine, manufacture of composition of matter.

However, the Guidance breaks the previous Step 2A into two “prongs”, wherein Prong One provides three groupings of abstract idea exceptions: (a) mathematical concepts (mathematical relationships, mathematical formulas or equations, mathematical calculations); (b) 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]); and (c) mental processes (concepts performed in the human mind [including an observation, evaluation, judgment, opinion.])

If the Examiner determines that the claim recites one of these abstract idea exceptions (or in a “rare circumstance” believes a claim limitation does not fall within the enumerated groupings of abstract ideas but nonetheless should be treated as reciting an abstract idea), then the analysis proceeds to Prong Two, wherein the examiner must “**evaluate whether the claim as a whole integrates the recited judicial exception into a practical application of the exception.**” Such a claim relies upon or uses 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.” If the additional claim elements do not integrate the exception into a practical application, then the analysis proceeds to Step 2B, wherein the Examiner determines whether the claim provides “significantly more” than the judicial exception. However, if the claim indeed integrates the judicial exception into a practical application, then the analysis ends at Step 2A, and the claim is subject matter-eligible.

The USPTO believes that by providing the two-prong Step 2A, the procedure “promotes early and efficient resolution of patent eligibility, and increases certainty and reliability.” The Guidance further stresses that Examiners should give full weight to all additional elements in the claim, **“whether or not they are conventional, when evaluating whether a judicial exception has been integrated into a practical application.”**

The Guidance provides several examples of such practical applications:

- an additional element reflects an improvement in the functioning of a computer, or an improvement to other technology or technical field;
- an additional element that applies or uses a judicial exception to effect a particular treatment or prophylaxis for a disease or medical condition;
- an additional element implements a judicial exception with, or uses a judicial exception in conjunction with, a particular machine or manufacture that is integral to the claim;
- an additional element effects a transformation or reduction of a particular article to a different state or thing; and
- an additional element applies or uses the judicial exception 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.

The division of Step 2A into two prongs should limit the over-application of § 101 rejections or at least result in the conclusion of the analysis at Step 2A, thus obviating the need in many cases for the Applicant to provide proof that the claim provides “significantly more” than what is a “well-understood, routine, conventional activity” as required in Step 2B.