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Washington State Patent Law Association

USPTO updates 35 U.S.C. 101 — Subject matter eligibility

March 15, 2023



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Agenda

1. Current subject matter eligibility guidance
2. Deferred subject matter eligibility response (DSMER) pilot program
3. Patent eligibility jurisprudence study
4. Patent subject matter eligibility guidance RFC

Subject matter eligibility

Why we are here today

- More than 150 years of Supreme Court jurisprudence on eligibility
- Recent case law is mostly focused on the judicial exceptions:
 - Abstract ideas;
 - Laws of nature/natural principles; and
 - Natural phenomena (including products of nature).

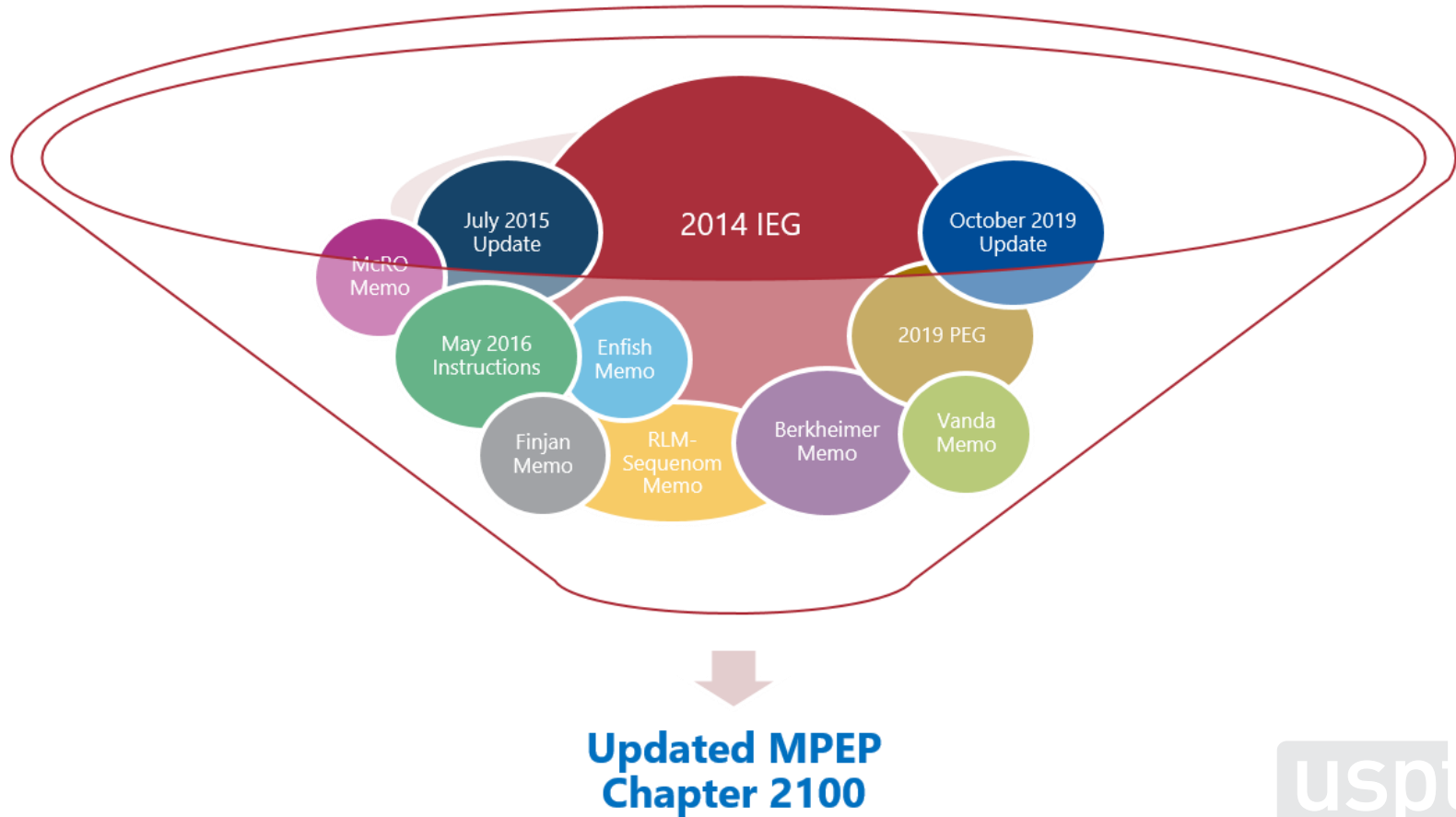


Body of case law keeps growing

- Handful of key Supreme Court decisions
 - Cluster in 1970s-80s: *Benson*, *Flook*, *Diehr*, and *Chakrabarty*
 - Cluster in 2010-2014: *Bilski*, *Mayo*, *Myriad*, and *Alice Corp*
- Dozens of relevant Federal Circuit decisions since 2012

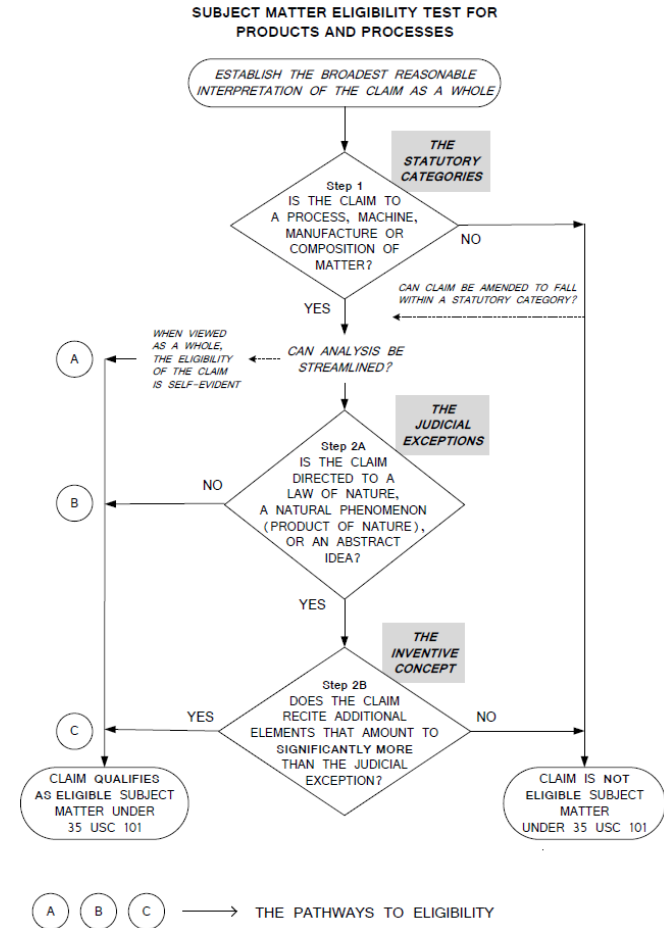


USPTO responded by developing guidance

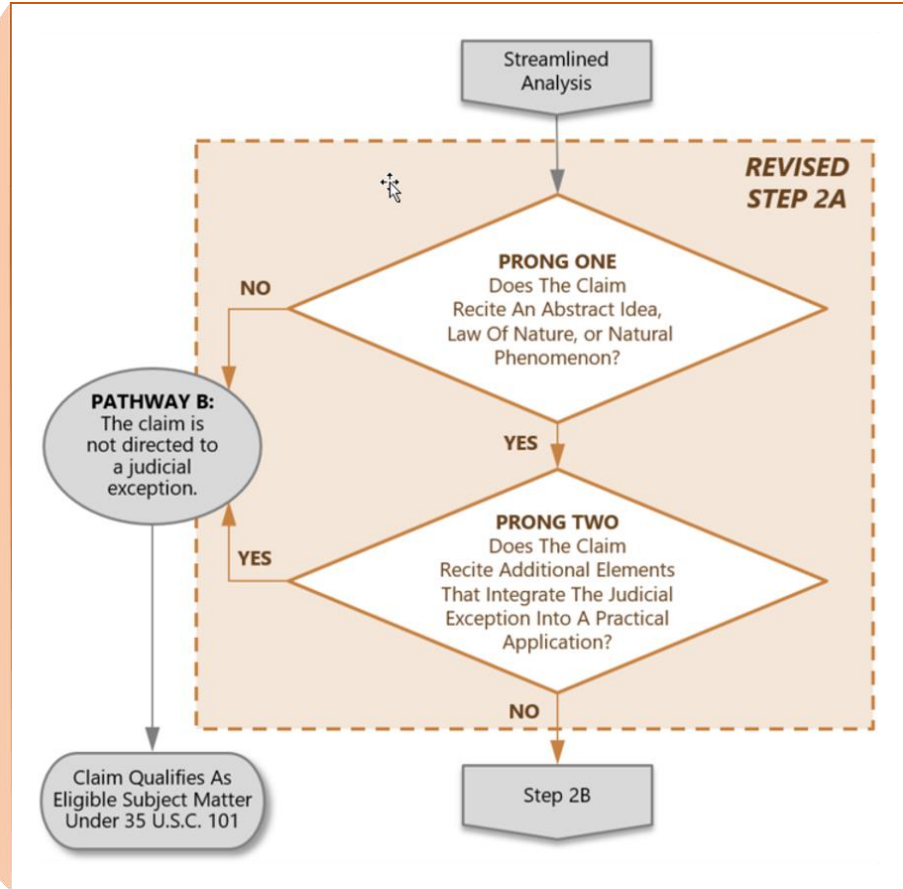
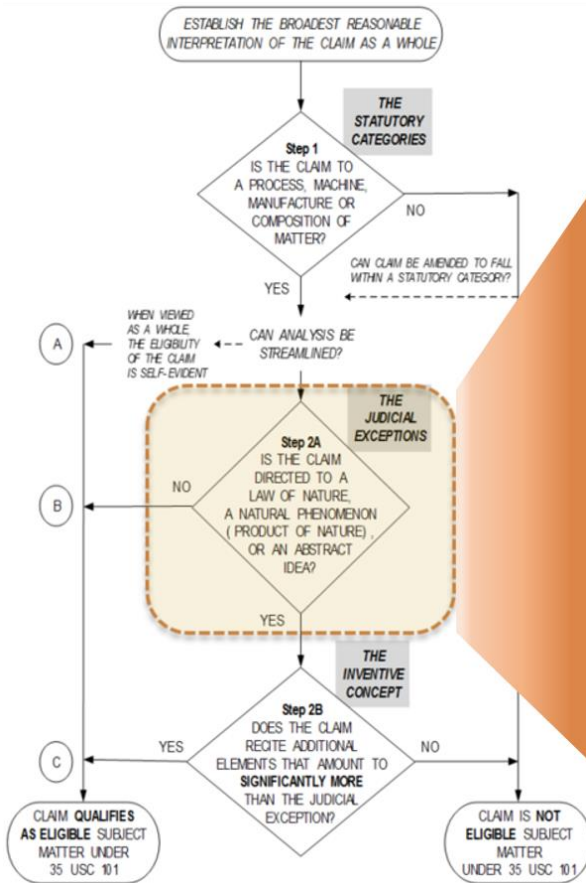


Overview of eligibility analysis

- USPTO analysis addresses the two criteria for subject matter eligibility:
 - The claimed invention must be to a statutory category (Step 1); and
 - The claimed invention must qualify as patent-eligible subject matter (Steps 2A and 2B, aka the *Alice/Mayo* test).
- Flowchart at right illustrates the overall analysis



MPEP flowchart including revised Step 2A

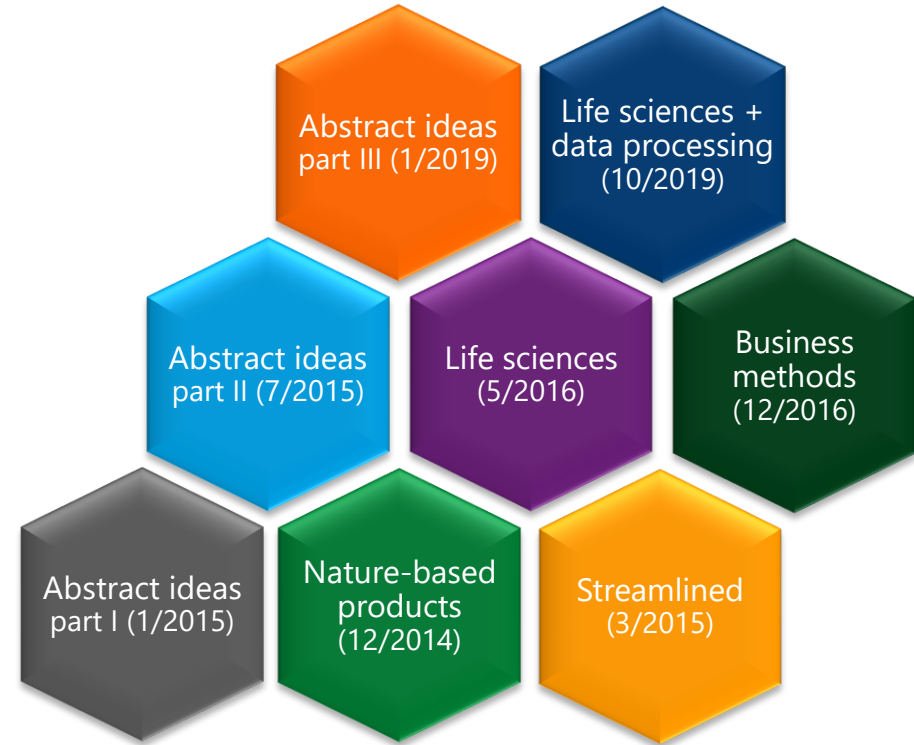


Revised Step 2A flowchart

Illustrative examples

Examples

- Total of 46 examples providing an eligibility analysis of various fact patterns
- Include eligible and ineligible claims, in accordance with case law and based on hypothetical fact patterns
- Cover technologies including biotechnology, pharmaceuticals, antibodies, vaccines, business methods, computer-related inventions, and software



Index of examples

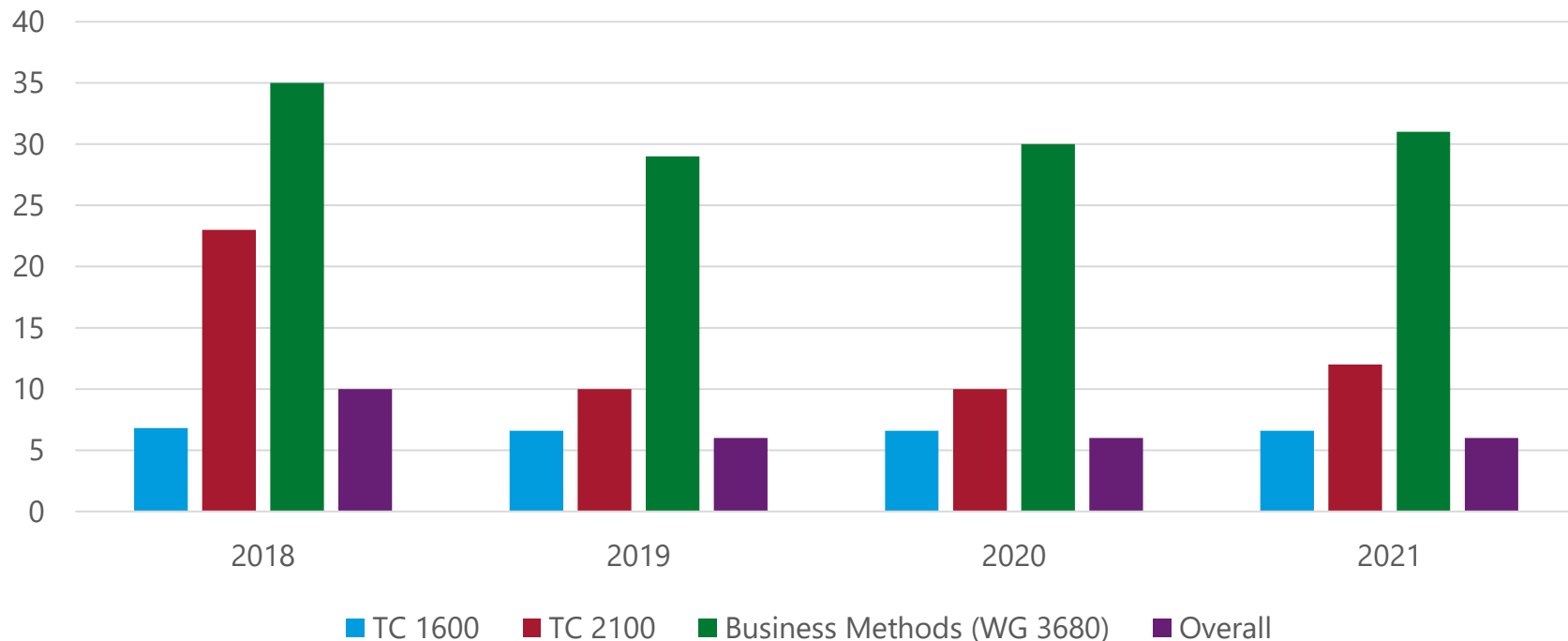
All Examples: Issue Spotting	GUI for Relocating Obscured Text	Updating Alarm Limits	Rubber Manufacturing	Internal Combustion	BIOS System Software	Vaccines
Example Number	23	24	25	26	27	28
Claim Type aka Statutory Category						
Process	•	•	•		•	
Product (Composition of Matter, Manufacture, and/or Machine)			•	•		•
Judicial Exception						
Abstract Idea	•	•	•	•		
Law of Nature						
Product of Nature						•
Multiple exceptions in same claim			•			
No recited exception	•					•
Detailed Analysis						
Streamlined Analysis				•	•	
Step 2A Prong One: Generally *	•	•	•			•
Step 2A Prong One: Markedly Different Characteristics analysis						•
Step 2A Prong Two: Exception Integrated Into A Practical Application **	•	•	•			
Step 2B: Generally	•	•				•
Step 2B: Claim is eligible because it provides an Inventive Concept	•		•			•
Considerations Discussed in Step 2A Prong Two and/or Step 2B						
Improvements to Functioning of a Computer or Other Technology	•		•			
Particular Treatment or Prophylaxis (Prong Two only)						
Particular Machine				•		
Particular Transformation			•			
Other Meaningful Limitations			•			
Mere Instructions To Apply An Exception	•					•
Insignificant Extra-Solution Activity		•	•			•
Field of Use and Technological Environment	•	•				
Well-Understood, Routine, Conventional (WURC) Activity (Step 2B only) †	•	•	•			•
No additional elements, so no Prong Two or Step 2B analysis	•					

- Index provides an overview of the relevance of Examples 1-46 under the current guidance
- Index indicates which examples provide a practical application or significantly more analysis, and the considerations that are evaluated in each example



Data

101 Rejections as a Percentage of all Rejections



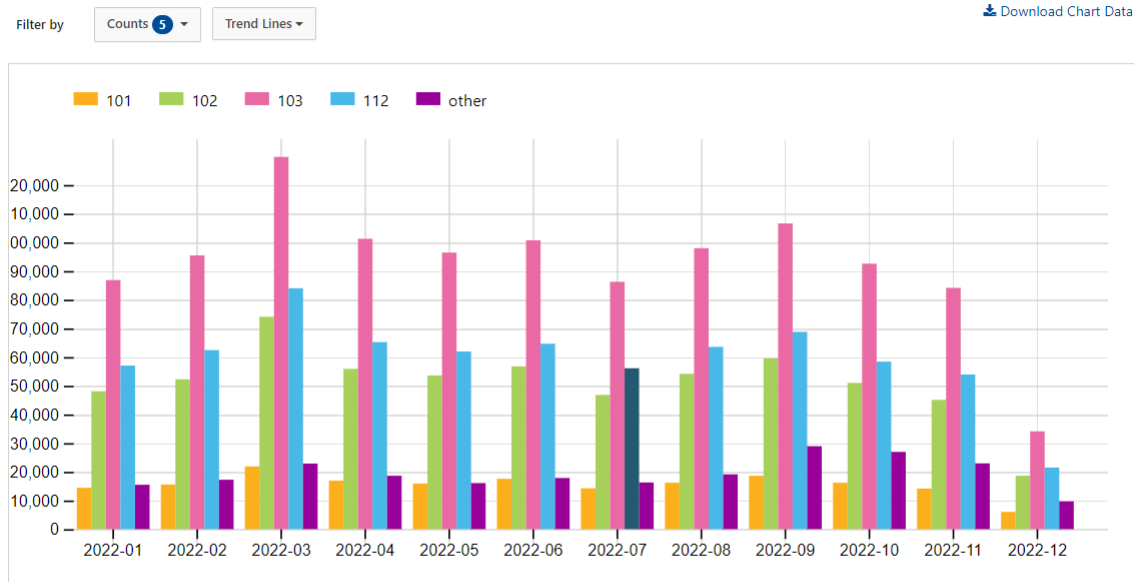
Data up to 2022



Agency Trends: 101 Rejections in Office Actions

Number of rejections by month:

CORP, from **January 01, 2022** to **January 31, 2023**



Rejection Type	Counts	Percentage	Trends
101	187620	7%	
102	615800	21%	
103	1111988	39%	
112	717431	25%	
other	231998	8%	

2022 data



Deferred subject matter eligibility response (DSMER) pilot program

DSMER Pilot program

- Allows participating applicants to deviate from traditional compact prosecution practice.
 - Examiner will still mail actions containing all applicable rejections.
 - Participation by invitation-only
 - Examiner selects an eligible application based on procedural and patentability-related criteria, invites applicant to participate in the pilot
 - If applicant elects to participate, the application is examined under the Pilot parameters
 - If applicant does not join pilot, application undergoes traditional compact prosecution
 - USPTO will evaluate how this deferral affects examination efficiency and patent quality as compared to traditional practice.



Pilot participation

- Applicants may defer responding to subject matter eligibility (SME) rejections under 35 U.S.C. 101 until later in prosecution.
 - Partial waiver of 37 CFR 1.111(b) with respect to SME rejection(s) only.
 - Applicant may, but is not required to, respond to the SME rejection(s).
 - Applicant must respond to all non-SME rejections.
 - Waiver is terminated by a “final disposition”, or by the withdrawal or obviation of all other (non-SME) outstanding rejections.
 - Other than the waiver, participation in this pilot program does not alter the normal prosecution process.
- **As a condition of participation, applicant must agree not to seek special status or expedited processing for participating applications until final disposition.**
 - Expedited processing allowed after final disposition; may request special status (e.g., 37 CFR 1.102(e)) with filing of RCE
 - Participating applications are eligible for all after-final programs (e.g., After Final Consideration Pilot (AFCP) 2.0)

Pilot participation (continued)

- **Pilot procedure after final disposition**
 - Any amendment, affidavit, or other evidence submitted after a final Office action and prior to appeal must comply with 37 CFR 1.116.
 - Appeal brief must present arguments with respect to each ground of rejection (including SME rejections) that is contested, pursuant to 37 CFR 41.37(c)(1)(iv).
 - A complete response to the final Office action, including a response to any outstanding SME rejection(s), must be submitted with the filing of an RCE.
- **No provision to withdraw a participating application from the DSMER pilot.**
 - Applicant may choose to stop deferring its responses to any outstanding SME rejection(s) at any time.

Data

- **Invitations sent by examiners**
 - Around 725 total mailed
 - No more can be mailed (Invitation period ended July 30, 2022)
- **Acceptances by applicants**
 - 199 (of about 705 applications with responses)
 - Each utility TC has at least 1 acceptance except TC1700

Data as of 1/3/23



Other USPTO updates

Patent Eligibility Jurisprudence Study

- Delivered report to Congress (June 24, 2022) — Patent eligible subject matter: Public views on the current jurisprudence in the United States
- USPTO conducted a study on the current state of patent eligibility jurisprudence in the United States
- Requested by Senators Tillis, Hirono, Cotton, and Coons
- Published a Request for Information on July 9, 2021 requesting public input
- Received 141 comments from a diverse group of stakeholders including organizations, companies, practitioners, and academics



Highlights

- Patent eligibility needs to be clear, predictable, and consistently applied.
- Views in favor:
 - Current eligibility law allows avoidance or efficient resolution of abusive, costly litigation
 - Companies faced with abusive and costly litigation involving “overbroad,” software, patents
 - Enhances access to medical technologies
 - Certain life sciences and patient advocacy organizations.
- Critical of current law:
 - Making patents less available and rights less predictable, inhibits investment in new technologies and companies
 - Patent practitioners and innovation companies (life sciences)
 - Undermines innovation by decreasing the availability of private risk capital and works to concentrate markets in the hands of a few large, well-resourced incumbents
 - Startups and small and medium-sized enterprises



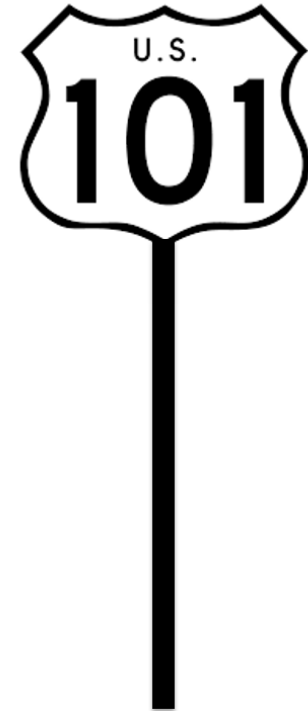
RFC – Patent Subject Matter Eligibility Guidance

- On September 1, 2022, the USPTO published an RFC in the Federal Register seeking public feedback on its existing patent subject matter eligibility guidance.
 - A link to the RFC is available at: www.regulations.gov/document/PTO-P-2022-0026-0001
 - The deadline for submitting comments was October 15, 2022.
 - Comments may be viewed via [regulations.gov](https://www.regulations.gov)
 - The USPTO received over 30 comments from the public.
 - We are in the process of reviewing the comments and will be determining next steps.



What's next?

- USPTO will continue public engagement.
 - USPTO will continue to solicit feedback from stakeholders.
 - Additional feedback can be mailed to 101@uspto.gov.
 - Ongoing initiatives on Artificial Intelligence and Expanding Innovation.
- Supreme Court and Federal Circuit decisions relating to subject matter eligibility may fill in gaps.
- Legislative developments may address eligibility.



USPTO resources

- Eligibility webpage:
www.uspto.gov/PatentEligibility
 - Includes guidance documents, examples, training materials, and information about case law
 - Includes links to public comments
- MPEP webpage:
www.uspto.gov/MPEP
 - Includes current and archived versions of MPEP
 - “Change Summary” document explains changes since last version
- DSMER program page:
www.uspto.gov/patents/initiatives/patent-application-initiatives/deferred-subject-matter-eligibility-response
 - Includes notice, flow chart, form, and more information
 - Includes links to public comments
- SME Jurisprudence Study:
 - [USPTO Subject Matter Eligibility – Public Views](#)
- Open Data Portal: [United States Patent and Trademark Office - Open Data Portal \(uspto.gov\)](#)
 - Insights into Agency trends



Fiscal Year 2022 in review:

Innovation expansion

Council for Inclusive Innovation (CI²) leadership



Innovation education partnerships

Work-based learning experience for high school students conducted in partnership with the **Urban Alliance**



EquiP HQ is your invention education headquarters for everything related to intellectual property.



Master Teacher of Invention Education Program (MTIP) is a train the trainer program supported by the USPTO and STEMisED.



References

Program	Website
Council for Inclusive Innovation (CI ²)	www.uspto.gov/expandinginnovation
Equip HQ	https://equiphq.org
Student programs	www.uspto.gov/jobs/student-programs/explore-our-student-programs
Master Teacher of Invention Education Program (MTIP)	www.uspto.gov/learning-and-resources/kids-educators/master-teacher-invention-education-program
National Summer Teacher Institute (NSTI)	www.uspto.gov/teacherinstitute
Kids, students, and educators resources	www.uspto.gov/learning-and-resources/kids-educators
National Medal of Technology and Innovation (NMTI)	www.uspto.gov/nmti
IP programs and awards	www.uspto.gov/learning-and-resources/ip-programs-and-awards
National Academy of Inventors (NAI)	https://academyofinventors.org/
National Inventors Hall of Fame (NIHF)	www.invent.org
U.S. Intellectual Property Alliance	www.usipalliance.org/

Fiscal Year 2022 in review:

General updates

Misc. updates

- Legislative update:
 - Unleashing American Innovators Act of 2022
- Job opportunities with USPTO:
 - [Chief Policy Officer](#), closes April 14, 2023
 - [Silicon Valley Regional Director](#), closes March 27, 2023
 - Patent Examiner:
 - [Design Patent Examiner](#), closes June 7, 2023
 - [Utility Patent Examiner](#), closes June 22, 2023



Requests for comment

- [Draft 2022-2026 Agency Strategic Plan](#), January 31, 2023
- [Expanding opportunities to appear before the PTAB](#), January 31, 2023
- [Expanding Admission Criteria for Registration to Practice in Patent Cases before the United States Patent and Trademark Office](#), January 31, 2023
- [Initiatives to Ensure the Robustness and Reliability of Patent Rights](#), February 1, 2023
- [Study on Non-fungible Tokens and Related Intellectual Property Law Issues](#), February 21, 2023

Patent Center

Accessing eGrants

Overview

- Effective April 18, 2023, the USPTO will issue electronic patent grants (eGrants) through the Patent Center, the USPTO's electronic patent application filing and management system.
- The patentee will be able to view and print the complete issued patent from the Patent Center immediately upon issue.
- Patent grants will no longer be issued on paper. During a transition period, the USPTO will provide a paper copy of the electronic patent grant as a ceremonial copy.
- Patentees and the public will be able to print an unlimited number of copies of the electronically issued patent at no charge through Patent Center. The ceremonial paper copy will be available for purchase for a nominal fee after the transition period, in addition to the presentation copy and certified copy.
- The electronic patent grant is the official statutory patent grant.



Benefits

- Streamlines the patent grant process, reduces pendency, and minimizes paper waste
- Reduces ~\$2 million in annual costs associated with printing, assembly, and mailing of patent grants (if the current printed option is no longer provided)
- Provides eGrant to patentee and public as a certified PDF on the day of issue
- Increases printing flexibility and choice for patentee

Retrieval of the application

The screenshot shows the USPTO Patent Center website. At the top, there is a navigation bar with the USPTO logo and the text "Patent Center". Below this is a menu with options: "Home", "New submission", "Existing submissions", "Petitions", "Post grant", and "Search". The main content area is titled "Search for a patent application" and includes the instruction "Search by application number, patent number, PCT number, publication number or international design registration number." Below this is a search bar with a dropdown menu set to "Application #", a search input field, and a search button. A red arrow points to the search button. Below the search bar is a section titled "Activities" with the text "Perform activities from submissions to post grant request and admin tasks such as managing customer numbers & practitioner associations with c". There are three activity cards: "New submission" (File utility, design, national stage and international submissions), "Existing submissions" (Add additional documents, pay fees, submit a corrected ADS, and much more), and "Petitions" (File ePetitions immediately via uspto.gov). The USPTO logo is visible in the bottom right corner.


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Activities

Perform activities from submissions to post grant request and admin tasks such as managing customer numbers & practitioner associations with c

 **New submission**
File utility, design, national stage and international submissions

 **Existing submissions**
Add additional documents, pay fees, submit a corrected ADS, and much more

 **Petitions**
File ePetitions immediately via uspto.gov

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11/6/ [REDACTED] US: Method and Device to [REDACTED]

Application #	Confirmation #	Attorney Docket #
[REDACTED]	[REDACTED]	[REDACTED]

Application Data

- Documents & Transactions
- Continuity
- Patent Term Adjustment
- Foreign Priority
- Fee payment history
- Address & Attorney/Agent Information
- Supplemental Content
- Assignments
- Display References
- e-Grant**

e-Grant patent notice [Download e-Grant](#)

Application data

Application type
Utility

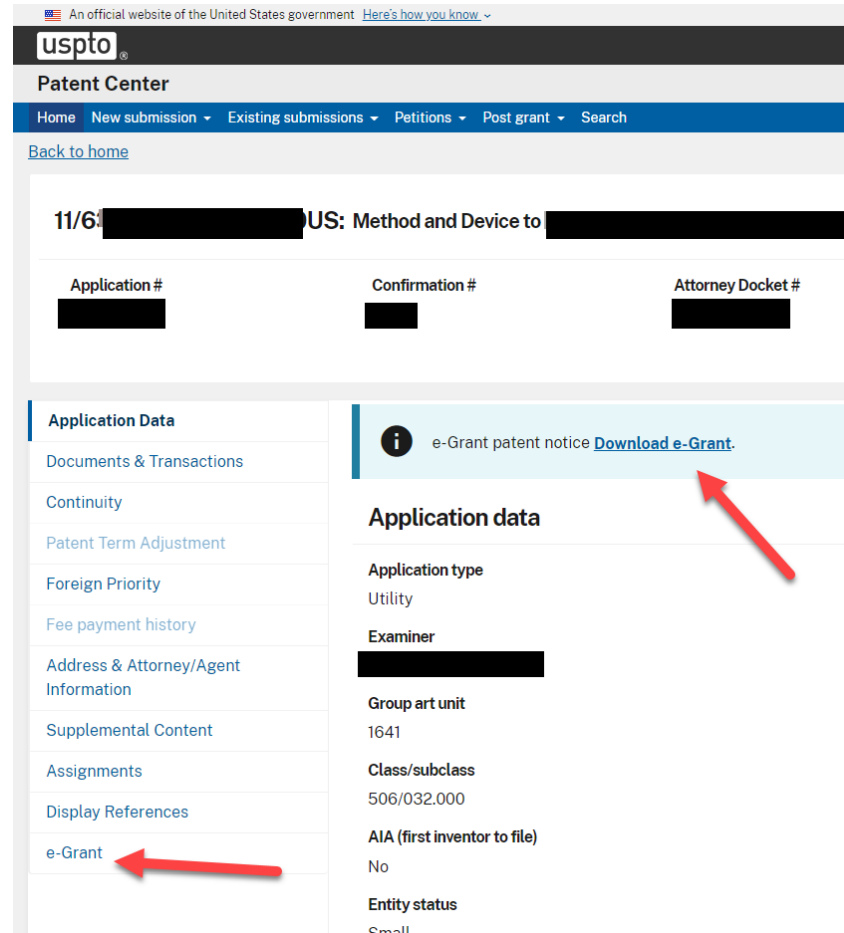
Examiner
[REDACTED]

Group art unit
1641

Class/subclass
506/032.000

AIA (first inventor to file)
No

Entity status
Small



Preview/download eGrant

The screenshot displays the USPTO Patent Center interface. At the top, there is a navigation bar with the USPTO logo and links for Patents, Trademarks, Fees and payment, Contact Us, MyUSPTO, and Sign in. Below this is a secondary navigation bar with Home, New submission, Existing submissions, Petitions, Post grant, and Search. A blue bar contains Patent Center Help and links for Order certified copies, Global Dossier, Download, and Print. The main content area shows a patent entry for 11/6[REDACTED] US: Method and Device to [REDACTED] with a PUBLIC VIEW button. A table below lists application details: Application # (11/[REDACTED]), Confirmation # ([REDACTED]), Attorney Docket # (3/[REDACTED]), Patent # ([REDACTED]), Filing or 371 (c) date ([REDACTED]), and Status ([REDACTED]). On the left, a sidebar menu includes Application Data, Documents & Transactions, Continuity, Patent Term Adjustment, Foreign Priority, Fee payment history, Address & Attorney/Agent Information, Supplemental Content, Assignments, Display References, and e-Grant. The eGrant section features a table with columns for Mail room date, Doc code, Doc description, Pages, and Quick download. The table contains one row: 12/06/2022, EGRANT.PDF, Digitally signed official patent e-grant document, 22, with links for Preview and PDF. The footer includes the USPTO logo and the text 'UNITED STATES PATENT AND TRADEMARK OFFICE'.

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Application #	Confirmation #	Attorney Docket #	Patent #	Filing or 371 (c) date	Status
11/[REDACTED]	[REDACTED]	3/[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Application Data

Documents & Transactions

Continuity

Patent Term Adjustment

Foreign Priority

Fee payment history

Address & Attorney/Agent Information

Supplemental Content

Assignments

Display References

e-Grant

eGrant

Mail room date	Doc code	Doc description	Pages	Quick download
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Patent eGrant front page cover sample



Digitally Signed By: U.S. Patent and Trademark Office
Location: United States Patent & Trademark Office
Date: 2022.04.20 16:20:02 -04'00'

Signature Properties

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Signing Time: 2022/04/20 16:20:02 -04'00'

Location: United States Patent Trademark Office

Validity Summary

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Revocation checking was not performed.

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Advanced Properties... Validate Signature Close

Certificate Viewer

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Property	Value
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Expiration	2022/04/20 16:20:02 -04'00'
Issuer	U.S. Patent and Trademark Office
Subject	U.S. Patent and Trademark Office
Public Key	-----BEGIN PUBLIC KEY----- MIIBIjANBgkqhkiG9w0BAQEFAAOCAQ8AMIIBCgKCAQEA...

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OK

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