

Patent Applicants Aided by Interim Examination Instructions

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The U.S. Court of Appeals for the Federal Circuit handed down its decision in *In re Bilski*, 545 F.3d 943 (Fed. Cir. 2008) (en banc) on October 30, 2008. On June 1, 2009, the U.S. Supreme Court agreed to take the *Bilski* case and address the question of whether the Federal Circuit's "machine-or-transformation" test for determining patent-eligible subject matter is the correct test. 129 S. Ct. 2735 (U.S. June 1, 2009). The Supreme Court heard oral arguments on November 9, 2009.

The U.S. Patent and Trademark Office (USPTO) posted its "Interim Examination Instructions for Evaluating Subject Matter Eligibility Under 35 U.S.C. [§] 101" on its Internet site (www.uspto.gov) on August 27, 2009. The USPTO also invited the public to submit written comments on the Interim Examination Instructions, with a comment deadline of November 9, 2009. The USPTO has agreed to revise the instructions "as appropriate" based on comments received on or before the November 9 deadline, but the USPTO has not yet provided any revision to the Interim Examination Instructions.

A posting on the Web of the eleven-page Interim Examination Instructions can be found at www.uspto.gov/patents/law/comments/2009-08-25_interim_101_instructions.pdf. And the same eleven pages followed by a nineteen-page slide presentation by the USPTO (dated August 25, 2009) can be found at www.uspto.gov/web/offices/pac/dapp/opla/2009-08-25_interim_101_instructions.pdf.

The USPTO's Interim Examination Instructions will apply at least until the Supreme Court hands down a final decision on *Bilski*. The guidance in the Interim Examination Instructions can be used by patent applicants now to craft better patent applications as we await the Supreme Court's decision in *Bilski*.

Steps in Determining Patent Eligibility

Examiners at the USPTO are directed by the Interim Examination Instructions to follow four specific steps to determine whether each claim in a patent application qualifies as patent-eligible subject matter. First, an examiner must determine the meaning of a claim. Second, the examiner must determine if the claim falls within one of the four patent-eligible subject matter categories. Third, the examiner must determine if the claim is directed to a particular practical application or just an abstract idea, law of nature, or natural phenomenon. Fourth, after the examiner concludes the analysis of patent-eligible subject matter by completing steps one through three, the examiner must examine the merits of the claim under all of the

other patentability requirements including utility, novelty, and nonobviousness. Each of the first three steps is described and explored in more detail below.

Step One: Claim Interpretation

The first step is to determine the meaning of the claim. The examiner must consider the entire claim when determining its meaning, and the examiner also is instructed to give the claim its "broadest reasonable interpretation." That interpretation must be consistent with the rest of the patent application and also consistent with the interpretation that those skilled in the art would reach. This step essentially instructs the examiner to do nothing more than, at a minimum, read the entire patent application that was prepared and filed by the applicant. The examiner must interpret the claims of the application in a way that is consistent with the rest of the application. An applicant thus should make certain to read carefully the entirety of the patent application before it is submitted to ensure that the claims of the application will be given the desired meaning when reviewed by an examiner at the USPTO.

Step Two: Subject Matter Category

The second step is to determine if the claim is directed to one of the four patent-eligible subject matter categories. The four statutory categories are process, machine, manufacture, and composition of matter.

The Interim Examination Instructions indicate that a process is defined as an act or series of acts or steps that are tied to a particular machine or apparatus or that transform a particular article into a different state or thing. In patent claims, the word method is used interchangeably with process and means the same thing under the patent law. (By its plain language, the machine-or-transformation test enunciated in the Federal Circuit's *Bilski* decision relates only to process/method claims.)

The Interim Examination Instructions also indicate that a machine is a concrete thing, consisting of parts, or of certain devices and combination of devices. The machine category includes every mechanical device or combination of mechanical powers and devices to perform some function and produce a certain effect or result. A manufacture is an article produced from raw or prepared materials by giving to these materials new forms, qualities, properties, or combinations, whether by hand-labor or by machinery. Apparatus, device, product, and system are examples of words used in patent claims interchangeably for machine and/or manufacture, and claims that use these other words typically are considered to fall within the machine category or the manufacture category or both.

The fourth patent-eligible subject matter category is composition of matter, and this category comprises all compositions of two or more substances and all composite articles, whether they be the results of chemical union, or of mechanical mixture, or whether they be gases, fluids, powders, or solids, for example.

Examiners are directed by the Interim Examination Instructions to reject any claim that covers subject matter outside of the four categories, including a claim that covers both statutory and non-statutory embodiments. In the software area, a patent claim directed to a computer-readable medium would be deemed statutory, as a machine or as a manufacture or perhaps as both, unless the patent application somewhere describes that the medium can be a transitory form of signal transmission such as a carrier wave or other propagating signal. According to the Interim Examination Instructions, a compact disc is one type of computer-readable medium that would be considered to fall within one or more of the four statutory categories, but a carrier wave is given as an example of something that would not be considered to fall within any of the four categories.

A patent applicant thus should take care not only to submit claims that fall squarely within at least one of the four statutory categories but also to prepare and submit a supporting description in the patent application that does not link the claimed invention to any non-statutory embodiments. Some non-statutory embodiments identified in the Interim Examination Instructions are transitory signals, naturally occurring organisms, a human *per se*, a legal contractual agreement, and a computer program *per se*.

Step Three: Practical Application

The third step that an examiner is required to take according to the Interim Examination Instructions involves determining if the claim is directed to a particular practical application or just an abstract idea, law of nature, or natural phenomenon. A claim is not patent-eligible if it is wholly directed to one of the judicially-recognized exceptions to patent-eligible subject matter, and those exceptions include abstract ideas, laws of nature, and natural phenomena. However, a claim that is limited to a particular practical application of a judicially-recognized exception would be considered to constitute patent-eligible subject matter. A practical application relates to how a judicially recognized exception is applied in a real-world product or process. If a claim recites a real-world use, the claimed practical application is evidence that the claimed subject matter is not abstract, is not purely mental, and is not a law of nature or a natural phenomenon.

An applicant can use the detailed guidance in the Interim Examination Instructions to assess whether any claim in a patent application will be deemed to pass the third step. Flowcharts and text are provided to guide examiners and applicants through decisions necessary to determine if a claim is directed to a particular practical application or just an abstract idea, law of nature, or natural phenomenon. Process (and method) claims are to be subjected to the Federal Circuit's machine-or-transformation test as part of the third step.

The aforementioned nineteen-page USPTO slide presentation presents three sample computer-related patent claims, two product claims, and one process claim. In the slides, each of the three sample claims is assessed under the first three steps mandated by the Interim Examination Instructions. The result is that the two product

claims are determined to constitute patent-eligible subject matter but the process claim is not.

The first sample product claim recites

A machine for evaluating search results, comprising:

a microprocessor coupled to a memory, wherein the microprocessor is programmed to evaluate search results by:

sorting the results into groups based on a first characteristic; ranking the results based on a second characteristic using a mathematical formula [f]; and comparing the ranked results to a predetermined list of desired results to evaluate the success of the search.

The second sample product claim recites

A non-transitory computer-readable storage medium with an executable program stored thereon, wherein the program instructs a microprocessor to perform the following steps:

sorting results of a search into groups based on a first characteristic; ranking the results based on a second characteristic using a mathematical formula [f]; and comparing the ranked results to a predetermined list of desired results to evaluate the success of the search.

And the sample process claim recites

A method of evaluating search results, comprising:

sorting the results into groups based on a first characteristic; ranking the results based on a second characteristic; and comparing the ranked results to a predetermined list of desired results to evaluate the success of the search.

The analysis provided for the sample process claim indicates that the broadest reasonable interpretation of each of its steps is that each could be done by hand, mentally, or on a programmed computer. Because the sample process claim is not limited to steps performed by a computer and because the recited steps could be done by hand or mentally, a particular machine is not involved. Also, there is no transformation of an article according to the USPTO. Consequently, the USPTO concludes that the sample process claim does not constitute patent-eligible subject matter.

Comparing the ineligible sample process claim to the two eligible sample product claims provides helpful guidance from the USPTO on how claims in a patent application will be treated under the Interim Examination Instructions and therefore how patent applicants should prepare their patent claims and applications as we await the Supreme Court's decision in *Bilski*.

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