

USPTO Takes Significant Step to Ease Patenting of Software-based Inventions

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The U.S. Patent and Trademark Office (USPTO) recently [released new examination guidelines](#) for patent examiners in reviewing the patent eligibility of software-based patent applications. These guidelines could initiate a seismic shift in obtaining patents for software-related inventions that have been hindered over the past several years.

Patent-eligible subject matter addresses whether the claims of a patent application are the type of subject matter that is even capable of receiving a patent, and is a question separate from the more familiar analyses of whether the claims are sufficiently novel or different from existing technology to warrant a patent. More specifically, [Section 101 of the U.S. Code](#) related to patent law has long been interpreted to prohibit the patenting of "abstract ideas." An inventor, for example, cannot patent a basic mathematical concept or a purely mental process, at least because such a patent would cover an exceedingly broad scope and hinder innovation across large swaths of different technologies. As software has developed and expanded, so has the prohibition on the patenting of abstract ideas. Some forms of software are considered abstract ideas because the USPTO considers the software to be a general implementation of an underlying mathematical concept or mental process. An inventor cannot turn an abstract idea into a patentable idea simply by taking a mathematical concept or a purely mental process and implementing it on a general computer. The foundations of the prohibition on patenting abstract ideas are clearly logical and well-intentioned. However, especially since the 2014 U.S. Supreme Court decision in [Alice Corp. v. CLS Bank International](#), a landmark in the erosion of patent eligibility for software-based inventions that started more than a decade ago, the line between patentable software and non-patentable software has become muddled. Since then, the USPTO has issued several complicated guidelines for examiners that had made it difficult to overcome subject matter eligibility rejections in software patent applications, and both the intellectual property stakeholders and the USPTO have struggled to apply the case law.

Until the new guidance became effective, a patent examiner would first consider whether the claim of a patent application is "directed to" an abstract idea. Software-based applications that included a claim with any recitation of a processor or a controller executing a program were overwhelmingly considered to be "directed to" an abstract idea. If the claim was directed to an abstract idea, the patent examiner would then analyze whether the claim recited "significantly more" than the abstract idea. Critically, a patent application that was not considered to recite "significantly more" than the abstract idea would not be allowed to issue as a patent, even if the claims of the application were otherwise novel.

This was an unclear standard elaborated only by a number of very specific and narrowly applicable examples that, by

the USPTO's own admission, produced inconsistent and unpredictable results. Andre Iancu, director of the USPTO, has pushed to change the analysis of software-based applications both to increase certainty and also to avoid diminishing the role of patents in the many burgeoning areas of technology that heavily incorporate software.

The new guidance, which went into effect January 7, seeks to improve clarity and consistency in patentable subject matter issues related to software in two ways:

- The USPTO has more narrowly defined what can be considered an "abstract idea" by providing a clearer and more discrete list the patent examiner must choose from to consider the claim as reciting an abstract idea.
- Even if the claim is deemed to recite an abstract idea, the claim is not "directed to" the abstract idea "if the claim as a whole integrates the recited [abstract idea] into a practical application."

Under the currently revised guidance, only if the claim of a patent application both recites an abstract idea chosen from the narrower list, and is not integrated into a "practical application" of the abstract idea will the analysis proceed to the "significantly more" as in the previous guidance. Otherwise, it is patent-eligible and will be considered for novelty as usual with respect to previously existing technology.

The expectation is that more narrowly defining what constitutes a recitation of an abstract idea and providing an avenue for eligibility through the "practical application" could ease the uncertainty surrounding Section 101 and permit more software-based applications to be issued patents. An application that previously failed simply by reciting the execution of software might now pass by reciting additional limitations that constitute a practical application of the software; reciting other features that would ensure the patent does not only cover an underlying mathematical concept or process across a wide range of applications. The USPTO has done an admirable job of attempting to fit the existing Section 101 decisions of the Supreme Court and Federal Circuit into a clearer and more cohesive structure. What remains to be seen, however, is whether software-based patents issued under the new guidance will be upheld by the courts when a forthcoming litigation inevitably hinges on the new guidance.

The USPTO has taken a significant step toward swinging the pendulum of software-based patent protection back from its current restrictive extreme. The coming months will reveal whether this is a long-lasting change or just the beginning of a larger legal struggle to clarify what has become a murky and obstructive area of patent law. If you have any questions about this new guidance and how it could affect your ability to apply for a patent, please [reach out to me](#) or to any member of the [Barley Snyder Intellectual Property Practice Group](#).

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