

# ABSTRACT IDEAS AND THE USPTO: EXAMINER GUIDANCE POST *ENFISH* AND *TLI*

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## Intellectual Property

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On May 19, 2016, the U.S. Patent and Trademark Office issued a memorandum containing a summary of two recent Federal Circuit decisions along with a directive for how patent examiners should apply the holdings of the decisions.<sup>[1]</sup> The first decision, *Enfish, LLC v. Microsoft Corp.*,<sup>[2]</sup> held that claims directed to a "self-referential" table are patent eligible under 35 U.S.C. § 101. The second decision, *TLI Communications LLC v. A.V. Automotive, LLC*<sup>[3]</sup>, held that claims directed to classifying and storing digital images in an organized manner are not patent eligible under 35 U.S.C. § 101.

In summarizing *Enfish*, the memorandum focused on four key points utilized in the determination of patent eligibility: (1) comparing the pending claim to claims already found to be abstract in prior court decisions is appropriate, (2) the "directed to" inquiry applies a filter to the claims and incorporates the specification in deciding whether their character as a whole is directed to a patent ineligible concept, (3) describing the claims in a high degree of generality when determining the focus of the claimed invention is discouraged, and (4) and noting that an invention's ability to run on a general-purpose computer does not automatically render it patent ineligible.

The Federal Circuit noted that both it and the Supreme Court "have found it sufficient to compare claims at issue to those already found to be directed to an abstract idea in previous cases."<sup>[4]</sup> The claims at issue in *Enfish* were distinguished from the claims of *Bilski* and *Alice*, where computers are invoked as a tool to implement a process that qualifies as an abstract idea. The Federal Circuit found that the claims in *Enfish* are an improvement to computer functionality itself, not an economic task for which a computer is used in its ordinary capacity.<sup>[5]</sup> The Court also looked to the specification, which taught that the claimed invention achieved increased flexibility and smaller memory requirements over the computer functionality available at the time.

The "directed to" analysis requires more than just the involvement of a patent-ineligible concept. Mere involvement would vitiate all of patent law because essentially every patent-eligible claim involves a law of nature and/or a natural phenomenon, as every claim takes place in the physical world. In analyzing what the claims are directed to, the court looked to the specification's teachings. The court found that the claimed invention achieved benefits over computer functionality at the time, noting specifically an increased flexibility, faster search times, and smaller memory requirements. The court noted that disclosures in a patent's specification are relevant to determining the scope of the invention.

The Federal Circuit found that the District Court oversimplified and downplayed the benefits of the claimed invention. Again, the Federal Circuit looked to the specification to decide the scope the claims should be given in a § 101 analysis. The Federal Circuit found that "organizing information in tabular formats," as phrased by the District Court, was not an accurate characterization of the patent. Instead, the Federal Circuit ultimately decided the claims were directed to a "self-referential" table.

The Federal Circuit compared other claims that had been deemed ineligible subject matter, noting specifically that the mere presence of a general-purpose computer is not sufficient to render claims ineligible. A laundry list of cases about claims that recited well-known business practices in connection with conventional computer components were distinguished from the current claims. The current claims were deemed to be an improvement on the actual functionality of a computer, which satisfied the first step of a § 101 analysis.

Conversely in *TLI*, the court held that the idea of classifying and storing digital images in an organized manner was not sufficient to overcome the hurdle of § 101. The court in *TLI* continued to compare the claims at issue with prior claims that were deemed to have been patent ineligible for claiming no more than an abstract idea performed on a general-purpose computer, with the computer behaving in an expected way.

Furthermore, nothing in the *TLI* claims provided an improvement on the computer functionality at the time.<sup>[6]</sup> The additional components in the claims merely performed in a way that was "well understood, routine, conventional . . . and previously known to the industry."<sup>[7]</sup>

As the patent office memorandum notes, there is nothing present in these decisions that changes the subject matter eligibility framework. Nevertheless, some key practice points have been further clarified in the memorandum. First, when drafting computer-based applications, it is important to fully flesh out why the new claims are an improvement over what currently exists and, if possible, provide detailed examples how the claimed invention is an improvement. Second, when prosecuting an application, arguments against computer-based § 101 rejections will typically be stronger if the arguments compare the claims to claims that have been deemed allowable in a post-*Alice* proceeding. The memorandum made clear that rejections under § 101 should include some comparison to claims that have been deemed ineligible; a response using a stronger comparison to eligible claims will have a higher likelihood of success. Finally, the memorandum makes clear that in light of recent case law, software claims are not automatically ineligible and instead can be eligible if they provide specific implementations of a solution to a problem rooted in the software. The advice encourages drafting of a specification that articulates what problems exist at the time and describes how the claims solve that problem. This approach may be enough to overcome the § 101 bar with computer-based claims that are directed to software.

**Notes:**

<sup>[1]</sup> Memorandum from Robert Bahr to Patent Examining Corps entitled *Recent Subject Matter Eligibility Decisions* (*Enfish, LLC v. Microsoft Corp. and TLI Communications LLC v. A.V. Automotive LLC*), May 19, 2016.

<sup>[2]</sup> 2016 WL 2756255 (Fed. Cir. May 12, 2016)

<sup>[3]</sup> 2016 WL 2865693 (Fed. Cir. May 17, 2016)

<sup>[4]</sup> *Enfish* at \*4.

<sup>[5]</sup> *Enfish* at \*5.

<sup>[6]</sup> *TLI* attempted to modify their arguments in light of the recent *Enfish* decision; however, they were unable to successfully do so.

<sup>[7]</sup> *TLI* at \*5.

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