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# Patentee's Day of Thanks Comes in Early November: Assessment of the USPTO's Recent Memorandum Regarding Patent Eligibility for Software Claims

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A recent U.S. Patent & Trademark Office (USPTO) memorandum to the Patent Examining Corps, in combination with precedential cases from the Federal Circuit, provides positive guidance to owners of software patents and patent applicants having software claims pending at the USPTO. Recent decisions worth noting and addressed by the USPTO memorandum include the following:*McRO, Inc. dba Planet Blue v. Bandai Namco Games America Inc.*; *BASCOM Global Internet Services v. AT&T Mobility LLC*; and *Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, decided most recently on November 1, 2016. In *Amdocs*, the Federal Circuit issued another precedential decision finding subject matter eligibility and provided additional clarification of the *Mayo/Alice* framework for determining patent-eligible subject matter.

In the memorandum the Deputy Commissioner for Patent Examination Policy, Robert W. Bahr, indicates that the USPTO will be updating its subject matter eligibility (SME) guidance in view of the decisions noted above. The memorandum reiterates that, under the *Mayo/Alice* framework, Examiners should consider the claim as a whole and should not "overgeneralize the claim or simplify it into its 'gist' or core principles," when identifying a concept as a judicial exception. The memorandum also makes clear that an "improvement in computer-related technology" is not limited to improvements in the operation of a computer or a computer network *per se*, but may also be claimed as a set of "rules" that improve computer-related technology by allowing computer performance of a function not previously performable by a computer.

Referencing the Federal Circuit's decision in *McRO,* the memorandum provides indications for Examiners to consider when determining whether a claim is directed to an improvement in computer-related technology. The indicators include: "(1) a teaching in the specification about how the claimed invention improves a computer or other technology" or "(2) a particular solution to a problem or a particular way to achieve a desired outcome defined by the claimed invention, as opposed to merely claiming the idea of a solution or outcome."

Referencing the Federal Circuit's decision in *McRO,* the memorandum also reiterates patentee-friendly guidance set forth by the Federal Circuit in *BASCOM*. The memorandum directs Examiners to "consider the additional elements in *combination*, as well as individually, when determining whether a claim as a whole amounts to significantly more, as this may be found in

the non-conventional and non-generic arrangement of known, conventional elements under Step 2B" of the *Mayo/Alice* framework. The memorandum also addresses the question of preemption and indicates that Examiners should give preemption more consideration under their application of the *Mayo/Alice* framework; stating that if an applicant argues that a claim does not preempt all applications of an exception, the Examiners should use the *Mayo*/*Alice* framework to resolve issues of preemption. That is, the Examiner "should reconsider in Step 2A of the eligibility analysis whether the claim is directed to an improvement in computer-related technology or a specific way of achieving a desired outcome or end result," and, if the Examiner still believes the claim is directed to a judicial exception, the Examiner should "reconsider in Step 2B of the eligibility analysis whether the additional elements in combination (as well as individually) are more than the non-conventional and non-generic arrangements of known, conventional elements." Finally, the memorandum cautions Examiners not to rely on non-precedential Federal Circuit decisions.

Overall, the memorandum is consistent with the positions advanced by many patentees with regard to the need to give more weight to claims as a whole, and to steer clear of dissecting the claims into discrete elements that are disposed of one-by-one as known or abstract. As the procedures of the decisions and the memorandum are practiced by the Examiners at the USPTO, Applicants should expect more patent applications to break free of the tight grip that has followed the *Alice* decision and the decisions immediately following. Moreover, Patentees should take the above into consideration when drafting patent applications, including the need to clearly identify the technology, the problems solved, and the advantages of the inventions.

The USPTO memo can be accessed ***here***.