# March and April Were Busy Months in Patent Law

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**The Courts Make Several Precedential Decisions and the USPTO Issues a Memo Helping to Clarify the 'Alice' Patentability Analysis: It's a Matter of Fact!**

For those patent law aficionados out there, March and April were exciting months. The Courts AND the USPTO made several key determinations that cover topics from the constitutionality of USPTO proceedings to clarifying how the courts and the patent office are to determine what exactly is needed to show "significantly more" for purposes of satisfying the 'Alice' patentability analysis.

Here is a quick roster of several of these impactful decisions:

- *Berkheimer v. HP Inc*
- USPTO Memo: Changes in Examination Procedure Pertaining to Subject Matter Eligibility
- *Oil States Energy Services, LLC* v. *Greene's Energy Group, LLC*
- *SAS Institute Inc. v. IANCU, Director, United States Patent and Trademark Office*
- USPTO Memo: Guidance following *Oil States* and *SAS*
- USPTO "Chat with the Chief": Chief Judge David Ruschke discusses the impact of *Oil States* and *SAS* on the AIA

***Alice* meets *Berkheimer***

*Alice*...the seminal case defining the steps to be followed by the USPTO and the courts in defining subject matter eligibility requirements in patent law. As you'll recall, *Alice* stands for the two-part eligibility analysis. First, the USPTO/courts are to determine whether the subject matter of individual claims is directed to one of the judicially recognized exceptions – laws of nature, natural phenomenon, or abstract ideas. Then, if the subject matter is found to fit one of these three categories, the

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next step is to determine if the subject matter outlines something "significantly more than" the judicially exempt subject matter. For claims directed to judicially recognized exceptions, the claim must survive both steps of this analysis to be considered patent eligible.

*Berkheimer* is a Federal Circuit case and it introduces a specific requirement (yes, "specific" and "*Alice* " are being used in the same sentence here) for determining criteria to support a finding of "significantly more" as a part of the *Alice* patent eligibility analysis. In step two of the *Alice* analysis, a finding of "whether a claim element or combination of elements is well-understood, routine, and conventional to a skilled artisan in the relevant field" must be made. Until now, the criteria for making this determination was not specific – the definition of "significantly more" is subject to interpretation. *Berkheimer* says, and the USPTO has adopted, that what is "well-understood, routine, and conventional" is a question of fact. Further, the Court distinguishes between what is well-understood, routine, and conventional, and something that is simply known in the prior art. The Court said that something disclosed in the prior art does NOT mean it was a well-understood, routine, conventional element. This standard becomes especially important and useful in examination and also in supporting (or combating) motions to dismiss.

Following this holding by the Federal Circuit, the USPTO has amended its examination procedures and updated the MPEP accordingly. The following are the ways that rejections of claim elements can be formed in light of these changes:

- A citation to an express statement in the specification demonstrating the element is well-understood, routine, and conventional – but, silence on this matter is not itself a determination;
- A citation to a court decision in MPEP 2106 as noting the well-understood, routine, conventional nature of the elements;
- A citation to a publication that demonstrates the well-understood, routine, conventional nature of the elements; and
- A statement by the examiner taking notice of the well-understood, routine, conventional nature of the elements.

***Oil States* and *SAS***

Butzel Long has been following these cases very closely as well. It isn't often that the Supreme Court renders a patent law decision, but they did two on April 24th. *Oil States*, as expected by Butzel practitioners, held that IPR proceedings are not in violation of Article III or the Seventh Amendment of the Constitution. One interesting observation is that the court appears to have noticeably left open the question of whether IPR proceedings violate Due Process and the Takings Clause...so, like normal, much room for future interpretation! *SAS* somewhat surprisingly held that the statutory authority for IPR proceedings does not grant the PTAB discretion to institute proceedings on some but not all challenged claims, but instead mandates review of all (or none) of the challenged claims. This may impact the duration of many IPRs, as a petition will cover all claims, instead of a single claim or two – the hand is no longer tipped, so to speak.

Because of these decisions, the USPTO will react accordingly. In its April 26th memo, the USPTO states that it will follow the decision and the Patent Trial and Appeals Board (PTAB) will institute as to all claims, or none. For new proceedings, this action is somewhat clear. But, what about pending trials? The USPTO has said that extensions may be granted on a case-by-case basis to allow the parties to have a full and fair opportunity to be heard.

**Butzel Long Supports Inventors and Patent Owners**

IPR proceedings are alive and well. And, strategic claim drafting is still needed to overcome an *Alice* analysis. Now, however, the courts have provided a better roadmap for navigating the patent subject matter eligibility requirements for inventors and practitioners alike. Butzel remains well-positioned to support your patent needs. These determinations help us not only in patent prosecution, but also in patent litigation – defensive and offensive. The attorneys and agents at Butzel Long are available to assist with your needs as they arise under this changing patent law landscape. Contact your Butzel attorneys today for more information.

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