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Subject: Comments on Interim Guidance for Determining Subject Matter Eligibility for Process Claims in View of Bilski v. Kappos

=== General remarks ===

National as well as international laws and regulations are important to our members, in particular when creating software that is used across the global community, including publishing software in the USA.

Software patents are generally very abstract and apply very broadly, at least from a programmer's perspective. This is demonstrated in recent high profile software patent cases, such as in Microsoft vs Salesforce, Oracle vs Google and Apple vs HTC.

Software patents also have a uniquely poor track record when they reach courts. A recent paper [1] finds that software patent owners that go to court win as few as 12.9% of their cases. We believe that this is mostly due to the abstract nature of software patents.

=== Questions about the Interim Guidance ===

As posed in the Federal Register: [2]

1. What are examples of claims that do not meet the machine-or-transformation test but nevertheless remain patent-eligible because they do not recite an abstract idea?

A properly applied machine-or-transformation test avoids such a conflict. However, it is possible that more specific steps or clarifications need to be derived in order to fine-tune the machine-or-transformation test framework.

2. What are examples of claims that meet the machine-or-transformation test but nevertheless are not patent-eligible because they recite an abstract idea?

This is highly related to the interpretation of a claim as a whole and if simply inserting tangibles makes the whole abstract idea patentable. In this case it would be appropriate to look at the parts of each claim.

Consider a computerized anti-lock braking system. Here, a claim could monopolize computations by merely adding software to the solution. Thus, a claim should have to be inventive and novel without examining the abstract parts such as the software.

3. The decision in *Bilski* suggested that it might be possible to "defin[e] a narrower category or class of patent applications that claim to instruct how business should be conducted," such that the category itself would be unpatentable as "an attempt to patent abstract ideas." *Bilski* slip op. at 12. Do any such "categories" exist? If so, how does the category itself represent an "attempt to patent abstract ideas"?

FIRST, publication of source code or information should not be seen as a patent eligible since information by itself is completely abstract. Thus, claims on publication or "record on a carrier" for software should be outside of what is patent-eligible even when the anti-lock braking system example as a whole would be patentable.

SECOND, the execution of generic instructions on data should be regarded as an abstract matter, much like pure information. Software, as in instructions for calculation and presentation, is just that abstract matter and its execution should not be seen as patent eligible either.

THIRD, for the purposes of eligibility, algorithms are equivalent to source code of computer programs. It should be clarified that a computer program is a "general concept."

FINALLY, clear rules are to be preferred. The 101 Method Eligibility Quick Reference Sheet (in the Interim Guidance [3]) goes on to say that "no factor is conclusive by itself" when considering eligibility, and asks to "weigh" factors against each other. However, the Supreme Court does not preclude having a set of clear exceptions for eligibility:

"Indeed, if the Court of Appeals were to succeed in defining a

narrower category or class of patent applications that claim to instruct how business should be conducted, and then rule that the category is unpatentable because, for instance, it represents an attempt to patent abstract ideas, this conclusion might well be in accord with controlling precedent."

(*Bilski v. Kappos* [4] slip op. at 12)

For instance, any of the "general concepts" (such as computer programs), claimed by themselves, should simply be rejected.

More generally, when determining eligibility, the goal should be to provide mutually exclusive categories wherever possible, instead of overlapping ones.

=== Patent-eligibility is vital to the quality of the patent system ===

On the title page of the Interim Guidance [3], it reads:

"Finally, under the principles of compact prosecution, Office personnel should state all non-cumulative reasons and bases for rejecting claims in the first Office action, and should avoid focusing on issues of patent-eligibility under 35 U.S.C. § 101 to the detriment of considering an application for compliance with the requirements of 35 U.S.C. §§ 102, 103, and 112, and also avoid treating an application solely on the basis of patent-eligibility under 35 U.S.C. § 101 except in the most extreme cases."

In other words, it is deemed more important to verify that a claimed invention is new and non-obvious, than to verify its status as an invention at all. We believe that 35 U.S.C. § 101, whether a claimed invention is patentable, should supersede § 102 (novelty) and § 103 (non-obviousness). This is especially appropriate since establishing fulfillment of § 101 and § 102 cannot be done with the same certainty.

The Supreme Court warns of the risk of inappropriate types of patents being issued:

"If a high enough bar is not set when considering patent applications of this sort, patent examiners and courts could be flooded with

claims that would put a chill on creative endeavor and dynamic change." (Bilski v. Kappos [4] slip op. at 12)

§ 112 (specification) is likely to be of even more importance, since without a proper specification, § 101, § 102, and § 103 may not have a meaningful context.

Signed,

Jonas Bosson
FFII Sweden

Stockholm, Sweden, 27 September 2010

=== References ===

[1] Patent Quality and Settlement among Repeat Patent Litigants (2010)

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1677785

[2] Federal Register / Vol. 75, No. 143 / Tuesday, July 27, 2010 / Notices [3] Interim Guidance for Determining Subject Matter Eligibility for Process Claims in View of Bilski v. Kappos [4] Bilski v. Kappos, 561 US (2010)

=== About FFII Sweden ===

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