October 15, 2021

Andrew Hirschfeld
Acting Under Secretary of Commerce for Intellectual Property and
Acting Director of United States Patent and Trademark Office

Re: Request for Comments on the Current State of Patent Eligibility Jurisprudence in the United States, 86 FR 36257-60

Dear Acting Director Hirschfeld:

Askeladden L.L.C. respectfully submits this comment letter in response to the U.S. Patent and Trademark Office's Request for Comments ("RFC") regarding the current state of patent eligibility jurisprudence in the United States.

Askeladden's Patent Quality Initiative

Askeladden is an education, information and advocacy organization which, through its Patent Quality Initiative ("PQI"), is dedicated to improving the understanding, use, and reliability of patents in financial services and elsewhere. Through the PQI, Askeladden strives to improve patent quality and to address questionable patent holder behaviors. Askeladden files amicus briefs that highlight issues critical to patent quality and petitions the Office to take a second look at patents under *inter partes* review (IPR) that it believes are invalid. In addition, Askeladden has worked to strengthen and support the patent examination process by coordinating educational briefings on the evolution of technology in financial services.

Askeladden is a wholly owned subsidiary of The Clearing House Payments Company L.L.C. Since its founding in 1853, The Clearing House has delivered safe and reliable payments systems, facilitated bank-led payments innovation, and provided thought leadership on strategic payments issues. Today, The Clearing House is the only private-sector ACH and wire operator in the United States, clearing and settling nearly $2 trillion in U.S. dollar payments each day, representing half of all commercial ACH and wire volume. It continues to leverage its unique capabilities to support bank-led innovation, including launching the RTP® system, a real-time payment system that modernizes core payments capabilities for all U.S. financial institutions. Askeladden pursues its PQI independently of the business and activities of The Clearing House.

The Importance of Subject Matter Eligibility Standards

The financial services industry has a strong interest in the proper interpretation and enforcement of 35 U.S.C. § 101, which governs what type of subject matter is eligible for a patent. Today, financial services companies are heavily investing in developing technologies related to fraud detection, blockchain, advanced authentication, faster payments, privacy, and big data analytics, to name a few. Moreover, the financial services industry provides frictionless movement of capital in every sort of financial

transaction including credit card purchases, ATM withdrawals, online and mobile banking, and digital wallet payments—all of which are fundamental to the modern financial system. Financial services companies have increasingly sought to protect such innovation through the patent system in recent years. Thus, financial services companies have a strong interest in ensuring that the conditions of patentability are applied in a predictable and transparent manner that allows inventors to claim their technological contributions.

Additionally, the financial services industry is the primary source of capital for startups of every kind. Based on data from the Small Business Administration, as of June 2015 there were $599 billion in small business loans outstanding.[1] Traditional banks also help fund millions of businesses every year and have a strong interest in seeing those entities achieve returns on their innovations. As lenders, therefore, it is essential that the intellectual property that they may rely on as collateral is of high quality.

At the same time, the financial services industry has been plagued for years by patent litigation based on patents that claim non-technological financial or business practices or that seek to claim objectives rather than the means for achieving them. The issuance of such patents leads directly to costly and wasteful litigation that is detrimental to economic progress and actual innovation. The financial services industry therefore has an equally strong interest in ensuring that eligibility law is properly enforced by the PTO and the courts.

Comments on the Current State of Patent Eligibility Jurisprudence

The PTO's request for comments notes that the U.S. government recently informed the U.S. Supreme Court that its eligibility decisions "have strayed from earlier precedent and have fostered uncertainty regarding the patent eligibility standards."[2] The RFC also notes concerns that "the current jurisprudence has adversely impacted investment and innovation in critical technologies."[3] It concludes by posing 13 questions about the effect of the current jurisprudence on a variety of technologies and activities.

In general, the financial services industry has found that patent eligibility jurisprudence has been relatively stable in recent years. The courts have made clear that eligible subject matter is limited to advances in the technological arts and that patents must claim means and methods rather than mere results or functions.

We write to address an additional question—one that was not asked in the RFC but perhaps should have been. On January 7, 2019, the PTO published "guidance" on patent eligibility that set forth the agency's interpretation of the subject matter eligibility requirements of 35 U.S.C. § 101.[4] This guidance limits and restricts what constitutes an "abstract idea," eliminating several exceptions to eligibility that are recognized in judicial precedent. The U.S. Court of Appeals for the Federal Circuit has now rejected this approach in seven different opinions. The court has held that it must follow its own precedent applying the Supreme Court's § 101 decisions, regardless of whether the subject matter at issue would be "eligible" under the PTO guidance.

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[1] https://www.sba.gov/sites/default/files/Banking_study_Full_Report_508_FINAL.pdf
[2] 86 Fed. Reg. at 36258.
[3] *Id.* at 36259.
[4] *See* Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019).

Given that the PTO is concerned about uncertainty surrounding patent eligibility law, we respectfully urge it to reconsider its own departures from judicial precedent. The Constitution assigns to the Supreme Court and Court of Appeals the final authority for interpreting and establishing the law of patentability. It serves no purpose for the PTO, when examining patents, to ignore judicial limits on subject matter eligibility and issue patents that will not survive review in the courts. The PTO's current approach effectively results in the issuance of invalid patents, some of which will inevitably be asserted in litigation against members of the financial services industry and other American businesses. By persisting with this approach, PTO also risks compromising the credibility of the U.S. patent system and the foundations of a patent's entitlement to a presumption of validity.

1. The PTO's Patent Eligibility Guidance Materially Departs from Judicial Precedent

The PTO's 2019 Eligibility Guidance purports to define the "groupings of subject matter that is considered an abstract idea."[5] According to the guidance, the "abstract idea" category of ineligible subject matter is limited to:

> (a) Mathematical concepts — mathematical relationships, mathematical formulas or equations, mathematical calculations;
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> (b) Certain methods of organizing human activity — fundamental economic principles or practices (including hedging, insurance, mitigating risk); commercial or legal interactions (including agreements in the form of contracts; legal obligations; advertising, marketing or sales activities or behaviors; business relations); managing personal behavior or relationships or interactions between people (including social activities, teaching, and following rules or instructions); and
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> (c) Mental processes — concepts performed in the human mind (including an observation, evaluation, judgment, opinion).[6]

Thus according to the PTO guidance, the "abstract ideas" category of ineligible subject matter includes only mathematical concepts, methods of organizing human activity, and mental processes. Further, "methods of organizing human activity" consist only of economic principles and practices, commercial and legal interactions, and managing personal behavior and relationships.

The "abstract ideas" exception to eligibility was emphasized by the U.S. Supreme Court in *Alice Corp. v. CLS Bank Int'l.*[7] That decision itself made clear that it did not "delimit the precise contours of the 'abstract ideas' category." Since *Alice* was decided seven years ago, the Court of Appeals has issued scores of decisions clarifying what constitutes an "abstract idea." Yet much of that case law is not reflected in the PTO's eligibility guidance.

A. Electric Power Group: "selecting information, by content or source, for collection, analysis, and display."

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[5] 84 Fed. Reg. 50.
[6] 84 Fed. Reg. 52.
[7] 573 U.S. 208 (2014).

In its 2016 decision in *Electric Power Group, LLC v. Alstom S.A.,* the Federal Circuit held that the abstract-ideas exception includes "selecting information, by content or source, for collection, analysis, and display."[8] Under this line of precedent, claims to the computerized processing of information are ineligible if they are directed at the person using the invention rather than the computer that implements it.

In *Trading Techs. Int'l v. IBG LLC*,[9] for example, the court invalidated claims to a graphical user interface that is designed to help a stockbroker make faster decisions about which stock to purchase. The court emphasized that the claimed invention "makes the trader faster and more efficient, not the computer,"[10] and held that patent eligibility does not extend to "a purportedly new arrangement of generic information."[11]

Similarly, in *Interval Licensing LLC v. AOL, Inc.*,[12] the Federal Circuit rejected claims to a computerized "attention minder" that presents information to a computer user without disrupting his or her primary activity on the computer. The court held that "the collection, organization, and display of two sets of information on a generic display device is abstract absent a specific improvement to the way computer or other technologies operate."[13]

And in *BSG Tech LLC v. BuySeasons, Inc.*,[14] the Federal Circuit stuck down a patent for a computerized product database that proposed "parameters" for a product search based on other customers' usage of the database. The court held that "while the presentation of summary comparison usage information to users improves the quality of the information added to the database, an improvement to the information stored by a database is not equivalent to an improvement in the database's functionality."[15]

The Federal Circuit continues to adhere to these precedents. In *Free Stream Media Corp. v. Alphonso Inc.*,[16] which was decided just a few months ago, the Federal Circuit invalidated patent claims to a computerized system of targeting advertising to a user of a mobile phone based on the user's television viewing habits. The court held that "providing targeted advertising to the mobile device user" is an abstract idea and does not constitute "an improvement to computer functionality." Similarly, in *British Telecommunications PLC v. IAC/InterActiveCorp.*,[17] a non-precedential decision issued last year, the Federal Circuit rejected claims to tailoring information to send to the user of a mobile phone based on the user's location. The court noted that "[w]e have previously held that tailoring the provision of information to a user's characteristics, such as location, is an abstract idea."[18] *British Telecommunications* cited the court's earlier decisions in *Intellectual Ventures I LLC v. Capital One Bank*

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[8] 830 F.3d 1350, 1355 (Fed. Cir. 2016).
[9] 921 F.3d 1084, 1092 (Fed. Cir. 2019).
[10] *Id.* at 1092.
[11] *Id.* at 1093.
[12] 896 F.3d 1335 (Fed. Cir. 2018).
[13] *Id.* at 1345.
[14] 899 F.3d 1281 (Fed. Cir. 2018).
[15] *Id.* at 1288.
[16] 996 F.3d 1355 (Fed. Cir. 2021).
[17] 813 F.App'x 584 (Fed. Cir. 2020).
[18] *Id.* at 587.

(USA),[19] which invalidated claims to tailoring internet information that is presented to a user, and *Affinity Laboratories of Texas, LLC v. Amazon.com Inc.*,[20] which held that providing targeted information over a computer is an abstract idea.

The common theme in these cases, consistent with *Electric Power Group*, is that selecting or displaying information for its content is a patent-ineligible abstract idea. And importantly, the claimed inventions in these cases were all held ineligible despite the fact that they displayed the claimed information on a computer or transmitted it over the internet. These cases make clear that when "the heart of the claimed invention lies in creating and using an index to search for and retrieve data,"[21] the patent's claims are directed to an "abstract concept,"[22] regardless of whether the claims are implemented via a computer or other technology.

Despite the volume of recent case law, however, the PTO's Patent Eligibility Guidance does not contain any statement that reflects the principle that "selecting information, by content or source, for collection, analysis, and display"[23] is an abstract idea. The guidance states that the eligibility exception for "mental processes" is limited to "concepts performed in the human mind (including an observation, evaluation, judgment, opinion)," and that "methods of organizing human activity" are limited to economic practices, commercial and legal interactions, and personal behavior and relationships.

None of the claimed inventions that were held ineligible in the recent cases are performed in the human mind, nor are the patents at issue directed to "judgments" or "opinions" —they are instead directed to information and its content. This eligibility jurisprudence thus appears to be outside of the PTO's conception of the "mental steps" exception. Also, the Federal Circuit's jurisprudence does not limit the information-based category of abstract ideas to situations in which information relates to economic, commercial, or legal matters or "personal behavior." The *Electric Power Group* lines of cases is not a subset of the "economic practices" cases. It is its own category of ineligible subject matter that directly and expressly applies to claims that are directed information based on its content or source.

The PTO's Patent Eligibility Guidance omits the information-based category of ineligible subject matter that is announced and enforced in the Court of Appeals' jurisprudence. This omission is particularly problematic because the guidance is made binding on examiners and the Patent Trial and Appeal Board. The guidance provides that "[a]ll USPTO personnel are, as a matter of internal agency management, expected to follow the guidance,"[24] and that patent "claims that do not recite matter that falls within these enumerated groupings of abstract ideas should not be treated as reciting abstract ideas."[25] The only exception to this mandate has been made sufficiently procedurally burdensome to ensure that it cannot be regularly employed. To enforce an eligibility exception from the case law that is omitted from the guidance, one of the PTO's 8,200 examiners would need to obtain approval from one of the nine

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[19] 792 F.3d 1363 (Fed. Cir. 2015).
[20] 838 F.3d 1266 (Fed. Cir. 2016); *see also Affinity Labs of Texas, LLC v. DIRECTV, LLC,* 838 F.3d 1253, 1256 (Fed. Cir. 2016).
[21] *Intellectual Ventures I LLC v. Erie Indemnity Co*., 850 F.3d 1315, 1328 (Fed. Cir. 2017).
[22] *Id.*
[23] *Electric Power Group*, 830 F.3d at 1355.
[24] 84 Fed. Reg. 51.
[25] *Id.* at 53.

Technology Center Directors who oversee the entire examination corps and would need to file a separate written justification for the decision.[26]

B. O'Reilly v. Morse: a patent must claim the means or method for producing a result, not the result itself

Another well-developed line jurisprudence condemns "functional" patents that claim only the idea of solving a problem rather than a particular mechanism or process for solving the problem. Section 101 restricts patent-eligible subject matter to four things—a "process, machine, manufacture, or composition of matter"—or to a "new and useful improvement" to these things.[27] Results, effects, goals, or objectives do not fit within any of these categories. Only the "process," "machine," or other mechanism that produces a result may be patented, not the result itself.

This line of jurisprudence appears to originate with the Supreme Court's 1853 decision in *O'Reilly v. Morse*.[28] That case involved Samuel Morse's attempt to claim the telegraph without "limit[ing] myself to the specific machinery or parts of machinery described in the foregoing specification and claims."[29] The Court invalidated this claim, holding that it would improperly preempt a "future inventor" who "may discover a [better] mode of writing or printing at a distance."[30] The Court later elaborated: "It is for the discovery or invention of some practicable method or means of producing a beneficial result or effect that a patent is granted, and not for the result or effect itself."[31]

Since *O'Reilly*, the courts have consistently adhered to the principle that "it is not the result, effect, or purpose to be accomplished which constitutes invention, or entitles a party to a patent, but the mechanical means or instrumentalities by which the object sought is to be obtained."[32]

The Federal Circuit's jurisprudence is fully in accord with the *O'Reilly* rule. In *Internet Patents Corp. v. Active Network, Inc.,*[33] for example, the court held ineligible a claim to maintaining the state of data while navigating between online forms, emphasizing that the patent "describes the effect or result disassociated from any method by which the state is accomplished."[34] Similarly, *Intellectual Ventures I LLC v. Capital One Fin. Corp.* invalidated a patent that claimed the goal of interoperability between incompatible textual data formats, holding that the patent offered "only a result-oriented solution, with insufficient detail for how a computer accomplishes it."[35] And in *University of Florida Research*

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[26] *See id.* at 57. Similarly, the guidance requires that a PTAB panel that wishes to apply case law that is omitted from the guidance to appeal to the Board's leadership in a "written request for clearance." *Id.* n.42.
[27] 35 U.S.C. § 101.
[28] 56 U.S.C. 62 (1853).
[29] *Id.* at 112.
[30] *Id.* at 113.
[31] *Corning v. Burden*, 56 U.S. 252, 268 (1853).
[32] *Miller v. Eagle Mfg. Co.*, 151 U.S. 186, 201 (1894); *see also United Carbon Co. v. Binney & Smith Co.*, 317 U.S. 228, 234 (1942) (holding that a patent owner "may not broaden his claims by describing the product in terms of function"). *See generally* Joseph Matal, "The Three Types of Abstract Ideas," 30 Fed. Cir. B.J. 87, 135-38 (2021), at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3930350.
[33] 790 F.3d 1343 (Fed. Cir. 2015).
[34] *Id.* at 1348.
[35] 916 F.3d 1363, 1369 (Fed. Cir. 2019).

Foundation, Inc. v. General Electric Co., the court struck down claims to "drivers" that would convert medical data, emphasizing that "neither the patent, nor its claims, explains *how* the drivers do the conversion that UFRF points to. That is, the drivers are described in purely *functional* terms."[36]

More recent decisions continue to apply and enforce these principles. Earlier this year, *Bot M8 LLC v. Sony Corp. of Am.* held that a claim to increasing the difficulty of a video game was ineligible because "the claim leaves open *how* to accomplish this" result—it "merely recites result-oriented uses of conventional computer devices."[37] And *Free Stream Media Corp. v. Alphonso Inc*. invalidated claims to interoperability between electronic devices because "the asserted claims do not at all describe how that result is achieved."[38]

Some critics of the current jurisprudence have argued that *O'Reilly* should be regarded as applying a § 112 rule that is directed at a patent's *written description*. The courts' decisions, however, clearly regard *O'Reilly* as a § 101 decision that is directed at the form of a patent's *claims*.[39] *O'Reilly* and *Corning v. Burden* themselves address the statutory language of § 101: they analyze of the meaning of the word "process," a term that the Court regarded as "included under the general term 'useful art.'"[40] Consistent with this approach, the Federal Circuit decisions applying *O'Reilly* expressly discuss and analyze § 101, not § 112. Indeed, the court has emphasized that "even assuming the specification sufficiently discloses how" a result is achieved, "the asserted claims" are ineligible if they "do not incorporate any such methods of [achieving the result]".[41]

The courts' approach is consistent with § 112(a)'s fact-based nature and § 101's legal and categorical nature. The § 112(a) inquiry addresses factual evidence such as the state of the prior art, the amount of direction provided by the inventor, and the existence of working examples in the specification.[42] But such things are irrelevant to whether a patent can properly claim all possible means of achieving a result. As *O'Reilly* itself states, such a claim is not permitted under the Patent Act because it would preempt all future inventors who may develop a better way of achieving the same result.[43] Such a claim is categorically improper, regardless of how much "direction" and how many "working examples" the specification provides. And again, regardless of what commentators may prefer, the courts have made clear that *O'Reilly*'s prohibition on claiming mere effects or results is grounded in § 101.

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[36] 916 F.3d 1363, 1368 (Fed. Cir. 2019).
[37] 4 F.4th 1342 (Fed. Cir. 2021).
[38] 996 F.3d 1355, 1363-64 (Fed. Cir. 2021); *see also Aftechmobile Inc. v. Salesforce.com, Inc.*, 853 F.App'x 669 (Fed. Cir. 2021) ("The recitation of desired functions without corresponding recitations on how to achieve or implement those functions leaves the claims devoid of anything but the abstract idea."); *In re Gopalan*, 809 Fed App'x 942, 946 (Fed. Cir. 2020) (claims are ineligible when they do not "embody a concrete solution to a problem" and thus lack "the specificity required to transform a claim from one claiming only a result to one claiming a way of achieving it.") (quoting *Interval Licensing LLC v. AOL, Inc.*, 896 F.3d 1335, 1343 (Fed. Cir. 2018).
[39] *See* Matal, *supra* n.32, at 144.
[40] *Corning*, 56 U.S. at 267.
[41] *Free Stream Media*, 996 F.3d at 1364 (Fed. Cir. 2021).
[42] *See In re Wands*, 858 F.2d 731 (Fed. Cir. 1988).
[43] *See O'Reilly*, 56 U.S. at 113; *see also Corning*, 56 U.S. at 269 ("[The inventor] cannot describe a machine which will perform a certain function, and then claim the function itself, and all other machines that may be invented to perform the same function.").

Yet, despite the volume and history of case law articulating and applying the *O'Reilly* rule, this eligibility limit is absent from the PTO's Patent Eligibility Guidance. Nothing in the guidance bars functional, results-oriented claims or indicates that they are within the category of "abstract ideas." As a result, the PTO's Patent Eligibility Guidance compels examiners and the PTAB to ignore exceptions to subject matter eligibility that have been clearly and repeatedly articulated in the jurisprudence of the Supreme Court and the Court of Appeals.

2. The U.S. Court of Appeals Has Made Clear that the Guidance Does Not Supplant or Modify Judicial Precedent

Shortly after the PTO promulgated its Patent Eligibility Guidance, the Court of Appeals was confronted with a patent owner who argued that its claims, although held ineligible in the district court under the Federal Circuit's precedents, should be upheld on appeal based on PTO guidance. The Court of Appeals rejected this option in *Cleveland Clinic Found. v. True Health Diagnostics*.[44] It stated that "while we greatly respect the PTO's expertise on all matters relating to patentability, including patent eligibility, we are not bound by its guidance."[45]

Since then, the Federal Circuit has reiterated that the PTO guidance does not displace or alter judicial precedent—in six additional decisions. *In re Rudy*[46] held that "the Office Guidance is not, itself, the law of patent eligibility, does not carry the force of law, and is not binding in our patent eligibility analysis."[47] It concluded that "[w]e are not . . . bound by the Office Guidance, which cannot modify or supplant the Supreme Court's law regarding patent eligibility, or our interpretation and application thereof."[48]

Subsequent decisions have reiterated that:

- "We apply our law and the relevant Supreme Court precedent, not the Office Guidance, when analyzing subject matter eligibility."[49]
- "The Office Guidance . . . does not modify or supplant controlling case law."[50]
- "To the extent the guidance contradicts or does not fully accord with our caselaw, it is our caselaw, and the Supreme Court precedent it is based upon, that must control."[51]
- "We need not further address the Guidance, which does not bind us."[52]

And in *Enco Systems, Inc. v. DaVincia, LLC*,[53] the court rejected the argument that it should follow the PTO's "designated 'informative' decision" interpreting eligibility law. It held that "we are not bound by

[44] 760 Fed App'x 1013 (Fed. Cir. 2019).
[45] *Id.* at 1020.
[46] 956 F.3d 1379 (Fed. Cir. 2020).
[47] *Id.* at 1382.
[48] *Id.* at 1383.
[49] *In re Jobin*, 811 F.App'x 633 (Fed. Cir. 2020).
[50] *In re Zunshine*, 816 F.App'x 477, 478-79 (Fed. Cir. 2020).
[51] *cxLoyalty, Inc. v. Maritz Holdings Inc.,* 986 F.3d 1367, 1375 n.1 (Fed. Cir. 2021).
[52] *In re Abel*, 838 F.App'x 558, 561 (Fed. Cir. 2021).
[53] 845 F.App'x 953 (Fed. Cir. 2021).

internally precedential decisions of the Patent Trial and Appeal Board that seek to follow this court's precedents, which we apply directly."[54]

It is clear that the courts will continue to follow their own jurisprudence rather than the PTO guidance when interpreting and applying the law of subject matter eligibility.

3. By Following Guidance that Materially Departs from Judicial Precedent, the PTO Allows Improper Patents to Issue and Undermines the Presumption of Patent Validity

The information-based category of abstract ideas and the rule against patenting results or effects are substantial limits on patent subject matter eligibility. These rules have been applied repeatedly by the courts to invalidate patents that were mistakenly granted in the past. If the PTO does not follow these rules in its own examination and review of patents, it is inevitable that the agency will issue more patents that are invalid under these rules. Continued failure to follow well-established patent eligibility jurisprudence also undermines the credibility of the patent system and risks eroding the presumption that an issued patent is valid.

In *Microsoft Corp. v. i4i Ltd. Partnership*,[55] the Supreme Court noted that the rationale underlying the presumption of patent validity is that "the PTO, in its expertise, has approved the claim."[56] As the Court of Appeals has since reiterated, "the clear and convincing evidence standard in the litigation context stems from our suggestion that the party challenging a patent in court bears the added burden of overcoming the deference that is due to a qualified government agency presumed to have done its job."[57]

If the PTO's examination process does not apply the patentability standards that have been articulated and applied by the courts, the agency undercuts the rationale for why issued patents should be presumed valid in those courts. Particularly when the PTO has received repeated warnings from the courts regarding its guidance, but continues to follow that guidance rather than the courts' jurisprudence, it becomes difficult to explain why the agency should be "presumed to have done its job."

As *Microsoft v. i4i* further noted, "if the PTO did not have all material facts before it, its considered judgment may lose significant force."[58] Similarly, the Court of Appeals has commented that although "there is a high burden of proof created by the necessary deference to the PTO," "it could be reasonable to give more weight to new arguments or references that were not explicitly considered by the PTO."[59]

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[54] *Id.* at 957-58.
[55] 564 U.S. 91 (2011).
[56] *Id.* at 108.
[57] *Dome Patent L.P. v. Lee*, 799 F.3d 1372, 1378-79 (Fed. Cir. 2015) (citations omitted); *see also Cellspin Soft, Inc. v. Fitbit, Inc.*, 927 F.3d 1306, 1319 (Fed. Cir. 2019) ("Patents granted by the Patent and Trademark Office are presumptively valid. This presumption reflects the fact that the Patent and Trademark Office has already examined whether the patent satisfies the prerequisites for issuance of a patent, including § 101.") (citations omitted).
[58] 564 U.S. at 111.
[59] *Sciele Pharma Inc. v. Lupin Ltd.*, 684 F.3d 1253, 1260 (Fed. Cir. 2012).

For those patents that were examined and issued under the guidance, a patent challenger would at least be entitled to argue that its eligibility arguments should be "given more weight" because the full scope of eligibility law was not applied during examination. And while the Federal Circuit has professed its "great respect" for "the PTO's expertise on all matters relating to patentability, including patent eligibility,"[60] that respect may be jeopardized if the agency continues to ignore warnings that its internal guidance does not reflect the law of patentability as articulated and applied by the courts.

Conclusion

To the extent that patent applicants and owners believe that the current case law misinterprets 35 U.S.C. § 101, they should appeal to the courts. And to the extent that they believe the statute itself should extend patentable subject matter more broadly, they must appeal to Congress. The patent system's interest in stability and predictability is best served by having the PTO faithfully apply the conditions of patentability as interpreted by the courts.

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Askeladden is grateful for this opportunity to comment on the current state of patent eligibility jurisprudence. Askeladden remains committed to working towards an improved patent system together with the PTO.

Very truly yours,

Sean Reilly

General Counsel
Askeladden L.L.C.

[60] *Cleveland Clinic*, 760 Fed App'x at 1020.