

Is Alice Coming Home From Wonderland? Finally Finding Direction in  
the Fairy Tale of 101 Jurisprudence  
by Brad Barger

In its 2014 decision, *Alice v. CLS Bank*, the Supreme Court dramatically reshaped the application of 35 U.S.C. § 101, which defines patent eligible subject matter. Much to the chagrin of inventors and patent practitioners around the world, the Supreme Court established a poorly defined test that the courts have struggled to apply in ways that result in consistent and predictable outcomes. The muddled rules and guidance provided by the courts have resulted in similarly inconsistent and unpredictable application of the law at the United States Patent and Trademark Office (USPTO). Strong anecdotal and statistical differences in the application of *Alice* could be seen across different art units, between different examiners within the same art units, and even between different panels of the Federal Circuit.

Fortunately, it appears that the USPTO is now taking concrete steps to stabilize the application of the *Alice* by examiners within the USPTO. Much of this change at the USPTO appears to be driven by the appointment of Director Iancu. In a recent appearance before the Senate Judiciary Committee, Director Iancu testified that the USPTO was addressing the confusion related to *Alice* by “work[ing] to provide more concrete tests – to the extent possible given Supreme Court precedent – that guide examiners and the public toward finding the appropriate lines to draw with respect to eligible subject matter.”

In what appears to be the strongest “concrete test” provided by the USPTO to date, on April 19, the USPTO issued the *Berkheimer Memorandum*. The *Berkheimer Memorandum* is based upon the Federal Circuit decision *Berkheimer v. HP Inc.*, 881 F.3d 1360 (Fed. Cir. 2018). In *Berkheimer*, the Federal Circuit held that whether certain claims limitations were conventional, well-understood, or routine was a question of fact.

Leveraging the decision in *Berkheimer v. HP Inc.*, the *Berkheimer Memorandum* lays out several important procedural steps that should significantly increase consistent application of the *Alice* guidelines by examiners. In particular, the *Berkheimer Memorandum* directs that “[i]n a step 2B analysis, an additional element (or combination of elements) is not well-understood, routine or conventional unless the examiner finds, and expressly supports a rejection in writing with, one or more of the following:

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1. A citation to an express statement in the specification or to a statement made by an applicant during prosecution that demonstrates the well-understood, routine, conventional nature of the additional element(s)...
2. A citation to one or more of the court decisions discussed in MPEP § 2106.05(d)(II) as noting the well-understood, routine, conventional nature of the additional element(s).
3. A citation to a publication that demonstrates the well-understood, routine, conventional nature of the additional element(s)...
4. A statement that the examiner is taking official notice of the well-understood, routine, conventional nature of the additional element(s)...

While it is too early to know how the examining corps will react to the *Berkheimer Memorandum*, at first read, it appears that the Examiners will now be required to provide a factual basis for rejecting claims under step 2B of the *Alice* analysis. If this does, in fact, become a “concrete test” that is applied by examiners throughout the USPTO, it will represent a sea change compared to the difficult to decipher guidelines that were previously applied. For example, it appears that the new guidelines may provide a particular benefit to patent applications that have overcome all of the art of record and are only being rejected under an *Alice* rejection. It is unclear that such a § 101 rejection can be maintained without any factual support.

In view of the *Berkheimer Memorandum* it may be worth rethinking pending appeals and outstanding rejections that only rely upon § 101 rejections. Similarly, when faced with a § 101 rejection, it may be wise to initially focus on any § 102 or § 103 rejections. Once the prior art rejections are overcome, Examiners may find it difficult to meet the requirements laid out by the *Berkheimer Memorandum* in maintaining the §101 rejection.