

JAPAN INTELLECTUAL PROPERTY ASSOCIATION

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September 27, 2010

Hon. David J. Kappos
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
United States Patent and Trademark Office
Alexandria, Virginia

Re: JIPA Comments on the Interim Bilski Guidance

Dear Under Secretary Kappos:

We, the Japan Intellectual Property Association, are a private user organization established in Japan in 1938 for the purpose of promoting intellectual property protection, with about 900 major Japanese companies as members. When appropriate opportunities arise, we offer our opinions on the intellectual property systems of other countries and make recommendations for more effective implementation of the systems. (<http://www.jipa.or.jp/english/index.html>)

Having learned that the "Interim Bilski Guidance," in the Federal Register, Vol.75, No.143 on July 27, 2010 is publicized for comments, we would like to offer our opinions as follows. Your consideration would be greatly appreciated.

We followed the U.S. Supreme Court decision in the Bilski case with great interest. We support the Supreme Court decision that mere abstract idea is not patentable. Also, the Supreme Court did not endorse the idea that the "machine-or-transformation" (MOT) test is the sole test for determining subject matter eligibility. In this regard, we fully support this decision as well because it has the flexibility to respond to future innovations in technology and allows multidimensional descriptions for new inventions.

In the Interim Bilski Guidance, it is clearly stated that if the method claim is not merely covering an abstract idea, the claim is eligible for patent protection under Section 101, and must be further evaluated for patentability under all of statutory requirements. Therefore, Section 101 is merely a coarse filter, and Sections 102, 103 and 112 are the primary tools for evaluating patentability unless the claim is truly abstract. We agree with the basic approach shown in the Interim Bilski Guidance.

However, considering the current examination practice, it is true that we have concerns about the continual use of the MOT test in the future.

In offering this opinion, we will present our views on the determination of subject matter eligibility, based on the fact that the Supreme Court held that the MOT test is not the sole test for determining subject matter eligibility.

Furthermore, if the examination practice based on the Interim Bilski Guidance is continued in the future, we would like to request USPTO not just to publish the Guidelines, but to continue to collect examples of examination and publicize them as reference information so as to clarify the criteria of subject matter eligibility and control the variations among examinations by the USPTO.

Points to be considered:

(1) The current thinking of the USPTO appears to be that all process claims should be examined by applying the MOT test for determining subject matter eligibility. It seems that there is an excessive insistence on the MOT test, which the Supreme Court indicated is not the sole test for determining subject matter eligibility.

We have the following strong impression of the current situation: A) After the CAFC decision in the Bilski case in November 2008, the examinations were conducted based on CAFC decision without any specific Guidelines, hence, the number of rejections on Section 101 grounds increased rapidly for inventions which did not cover an abstract idea and had no problem with subject matter eligibility under the conventional examination. B) After the publication of the August 2009 Interim Instructions, MOT test have been applied continually, even for inventions which are not related to an abstract idea. As a result, applicants have been forced to amend claims to recite characteristics of machine or transformation to pass MOT test.

We understand that the MOT test was originally intended to exclude “a process that attempts to patent an abstract idea itself”. Therefore, in cases where the MOT test is applied to an invention in a technological field where the subject matter eligibility was not an issue in the conventional examination, it would be an impediment to protect innovative inventions and would generate negative effects due to different levels of interpretations of the MOT test by individual examiners. Such negative effects include, for example, a decrease in the efficiency of examinations due to the increase of the rejections on Section 101 grounds, inconsistency in examination practice due to vague interpretation of MOT test, and unnecessary amendments to limit the scope of the claimed invention which would not be categorized in mere abstract idea and hence be eligible in the current examination practice of USPTO.

When determining subject matter eligibility, of course, Section 101 should be interpreted appropriately. We understand that it is required in Section 101 that the invention be “any new and useful process, machine, manufacture, or composition of matter.”

The “useful” factor would be considered to be satisfied if the function of an invention brings with it socially beneficial effects. It would be necessary that the patent eligible claim defines the field where the invention has its beneficial effect. Such field should be given by

the interpretation of the claim language and the specification as a whole. Therefore, the "useful" factor will be satisfied by a claim that clarifies the boundaries of the technical field to which the invention belongs.

Additionally, if an invention is claimed as a "process", it is necessary to provide a definition of the process by series of steps in the field the invention belongs to based on the claim language. Therefore, question of patent eligibility by section 101 would be considered to be satisfied when the series of steps that will bring beneficial effects is claimed as the characteristics of the invention.

Consequently, when determining the subject matter eligibility, we believe it is not necessary to persist merely in applying the MOT test, and it is possible to determine subject matter eligibility by a method other than the MOT test, according to the Supreme Court decision and the abovementioned interpretation of Section 101.

In particular, we would like to propose to limit a scope of using MOT test for applying to patent applications which are doubtful as "a process that attempts to patent an abstract idea." On that basis, with regard to patent applications for which the claim, as a whole, defines the technological field to which the invention applies and where the technological characteristics of the invention are claimed as a series of steps, we would like to request that the USPTO consider the following approach, that is, excluding those patent applications from the scope of application of the MOT test, finding those patent applications to be patent-eligible, and implementing examinations under Sections 102, 103, and 112.

This approach enables the MOT test continuously to exclude "a process that attempts to patent an abstract idea" in terms of subject matter eligibility. It also enables a reduction of the burden and the variations in determinations in the examination practice that are caused by the MOT test interpretation, in examining "ordinary patent applications," which constitute the majority of patent applications and to which the MOT test originally did not intend to apply.

(2) We agree with the opinion of the Supreme Court that the standard of subject matter eligibility should be established so that it would not preempt the use of an abstract idea in all fields. However, it seems that the August 2009 Interim Instructions and the Interim Bilski Guidance do not indicate clearly and specifically what level of descriptions is necessary in the method claim to satisfy "the machine factors" or "transformation factors" in the MOT test.

As stated in the Interim Bilski Guidance, since it does not constitute substantive rule making and hence does not have the force and effect of law, we, as applicants, are concerned about actual examination practice, particularly the variations in determinations at the examination stage for individual cases and how we should describe the invention in consideration of the subject matter eligibility by the MOT test.

Consequently, in cases of performing examinations based on the MOT test in the future, please collect examples of implementation of the MOT test, where the claim "as a whole

corresponds to an abstract idea” and where the claim “passes the MOT test on the grounds of using computers” based on actual examination practice and publicize them as public reference for making clear understanding for the examination practice of subject matter eligibility.

(3) Under the current situation after the publication of the August 2009 Interim Instructions and the Interim Bilski Guidance, we have a concern that there is the possibility of using the MOT test as the sole test for determining patent eligibility in the actual examinations.

As the Supreme Court held, since the MOT test is just one of tools for determining patent eligibility, please include the following statement in the Interim Bilski Guidance: “In cases where it is appropriate to determine patent eligibility by means other than the MOT test, the patent eligibility shall be determined by a method other than the MOT test.”

(4) In cases where a claim is rejected because it is an abstract idea and is not patent-eligible as set forth in Section 101, we, applicants, expect the examiners to provide appropriate explanations for the grounds on which they reached the rejection. Furthermore, if a claim is rejected on the basis that “the claim corresponds to an abstract idea,” it is hard to understand how the applicant should amend to satisfy the requirement that “an abstract idea would be practically applied in actual implementation” because the Guidelines does not clearly describe what “evidence” would be needed.

Therefore, if the examination practice using the MOT test would be continuously applied in the future, please collect examples showing such “evidence”, based on actual examination and disclose them as public reference for making clear understanding for the examination practice of subject matter eligibility.

(5) It is stipulated that determining subject matter eligibility based on the MOT test is conducted by reviewing a claim as a whole, not an element of the claim.

On the other hand, during current examination practice using MOT test, there are some cases where Section 101 rejection is overcome by amending the claim preamble based on the examiner’s suggestion of formally adding an element of “using hardware elements, such as a processor”.

We have no disagreement with the position that the actual implementation of a computer program would satisfy the requirement of “the particular machine or the transformation of a particular article”. However, if the MOT test is performed too formally in the examination practice, it may allow the eligibility of the process claim based on an abstract idea in which the presence of “the particular machine” is unclear, just by adding the limitation of hardware elements in the preamble, for instance. As a result, there is a concern of an increased burden on examinations in USPTO because such formal limitation would increase burden for examining the novelty and non-obviousness for the abstract idea.. In order to prevent

such a situation, when examining claims based on the MOT test in the USPTO, we request that there not be an obsession with formal amendments, but an appropriate evaluation of the claim as a whole in the examination practice, so as to confirm whether the technology field of the invention would be defined properly, and whether the technological characteristics of the invention are particularly defined in the claim.

(6) The Japan Patent Office (JPO) published "*Tokkyo ni naranai business kanren hatsumei no jireishu*" (Cases of Unpatentable Business Related Inventions) as a reference for applicants.

http://www.jpo.go.jp/tetuzuki/t_tokkyo/bijinesu/tt1303-090_jirei.htm

If the USPTO will consider publishing a similar reference, it will be of great help to applicants for future improvement of patent application procedures.

Examples in response to the questions of the USPTO:

1. Examples of claims that do not meet the MOT test but nevertheless remain patent-eligible because they do not recite an abstract idea:

In cases where an invention has its characteristics in the "calculations that encompass a mathematical algorithm" and the attributions or characteristics of the data itself do not change before and after said operations, it may correspond to said example. As indicated in many amicus briefs in *Bilski*, technologies for which application of the MOT test is doubtful (advanced medical diagnosis technology, linear programming, compression treatment of voice data or graphics data, filtering of digital signals, etc.) are considered to correspond to said example.

2. Examples of claims that meet the MOT test but nevertheless are not patent-eligible because they recite an abstract idea:

It is considered that cases that meet the MOT test are those where the claimed invention satisfies either the machine factors or the transformation factors. In these cases, the technology field to which the invention that is required to be patented belongs and the conditions where the invention is worked are specified by the statement of the claim.

Consequently, we consider that there are no examples where claims correspond to abstract ideas and are not patent-eligible in such a case.

3. The decision in *Bilski* (Opinion, p.12) suggested the possibility of defining a category or class that represents an attempt to patent abstract ideas. Do any such "categories" exist?

The category or class of patent applications is classified by technological field. The abstract ideas are present in any technology field. It is difficult to define a category or class that represents an attempt to patent abstract ideas that separates abstract ideas from technological fields by separating them from conventional patent categories. Therefore, we consider that such a category does not exist at present.

Sincerely, yours,

A handwritten signature in black ink, appearing to read 'F. Moriya', with a stylized flourish extending to the right.

Fumihiko MORIYA

President

Japan Intellectual Property Association

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