MEMORANDUM

DATE:        July 27, 2010

TO:          Patent Examining Corps

FROM:        Robert W. Bahr
             Acting Associate Commissioner
             For Patent Examination Policy

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

The attached Federal Register notice entitled Interim Guidance for Determining Subject Matter
Eligibility for Process Claims in View of Bilski v. Kappos (Interim Bilski Guidance) is for use by
USPTO personnel in determining subject matter eligibility under 35 U.S.C. § 101 in view of the
recent decision by the United States Supreme Court (Supreme Court) in Bilski v. Kappos, 561
U.S. ___ (2010) (Bilski). The Interim Bilski Guidance is a supplement to the previously issued
Interim Examination Instructions for Evaluating Subject Matter Eligibility Under 35 U.S.C. § 101
dated August 24, 2009 (August 2009 Interim Instructions) and the memorandum to the Patent
Examining Corps on the Supreme Court Decision in Bilski dated June 28, 2010. The August 2009
Interim Instructions are to be consulted for determining subject matter eligibility under 35 U.S.C.
§ 101 of machine, composition, and manufacture claims.

The Interim Bilski Guidance provides factors to consider in determining whether a claim is directed
to an abstract idea and is therefore not patent-eligible under 35 U.S.C. § 101. Under the Interim
Bilski Guidance, factors that weigh in favor of patent-eligibility satisfy the criteria of the machine-
or-transformation test or provide evidence that the abstract idea has been practically applied, and
factors that weigh against patent-eligibility neither satisfy the criteria of the machine-or-
transformation test nor provide evidence that the abstract idea has been practically applied. A
summary sheet of these factors is also attached to this memorandum. The machine-or-
transformation test remains an investigative tool and is a useful starting point for determining
whether a claimed invention is a patent-eligible process under 35 U.S.C. § 101. The Interim Bilski
Guidance provides additional factors to aid in the determination of whether a claimed method that
fails the machine-or-transformation test is nonetheless patent-eligible (i.e., is not an abstract idea),
and also whether a claimed method that meets the machine-or-transformation test is nonetheless
patent-ineligible (i.e., is an abstract idea). Since claims directed to abstract ideas were not patent-
eligible prior to Bilski, subject matter eligibility outcomes based on the Interim Bilski Guidance are
not likely to change in most cases. The difference is that in some rare cases, factors beyond those
relevant to machine-or-transformation may weigh for or against a finding that a claim is directed to
an abstract idea.

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.