



Forging Ahead After Losing an *Alice* Appeal



By Mark Nowotarski
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Print Art

“The 2019 Guidance has increased the chance of prevailing on appeal, but the loss rate is still 80%.”

As we enter Alice’s birthday week, Mark Nowotarski offers a cautious ray of hope for business method applications.

It’s tough to fight on after losing an Alice appeal, but that’s just what most applicants are doing. An “*Alice* appeal” is an appeal of a patent rejection under 35 U.S.C. 101 for lack of statutory subject matter. The major field of these patents is business methods (class 705). More than half of business method applicants that are losing *Alice* appeals are taking action to keep their applications alive. The reasons for renewed hopes include the new 2019 Subject Matter Eligibility Guidance that came out in January, as well as the current movement in Congress to clarify 35 U.S.C. 101. With hope on the horizon, now is not the time to give up.



The table below gives some recent examples of how both large and small applicants are continuing to prosecute their patent applications after losing an Alice appeal.

Fighting on After Losing a Patent Appeal Under 35 U.S.C. 101		
Applicant	Title	Action to Keep Patent Alive

BGC Partners	Trading System	Request for Continued Examination
Castlight Health	Reference Pricing Of Health Care Deliverables	Request for Continued Examination
Chicago Mercantile Exchange	Method And System For Trading And Clearing Financial Instruments...	Request for Continued Examination
Autoalert	System And Method For Assessing And Managing Financial Transactions	Continuing Application
Cantor Index	System And Method For A Lottery And Auction Based Tournament Entry Exchange Platform	Continuing Application
Visa International	Prepaid Multinational Program	Continuing Application
Hurricane Electric	Systems And Methods For Facilitating Secured Financial Transactions	Request for Reconsideration
Oracle	Configurable Invoice Matching Optimization System	Request for Reconsideration
Individual Inventor	System and Method for Providing Targeted Content	Appeal to CAFC
Opargo LLC	Schedule Optimization and Online Booking System for Healthcare Practices	Appeal to CAFC

Take Action

If you've just lost an Alice appeal, the four actions you can take are:

- **File a Request for Continued Examination (RCE):** You and your attorney or agent can amend your claims in light of the 2019 Guidance. The claims then go back to the patent examiner for more examination. About half of the requests for continued examination filed in the past 18 months have been successful in getting claims allowed.
- **File a Continuing Application:** You can refile your application with entirely new claims. This is called a continuing application. If the claims are directed to a different invention described in your patent application, there's about a 50% chance your application will be assigned to another examiner and/or another art unit. This can increase your chances of getting a case allowed if your current examiner is particularly difficult to reach agreement with.
- **File a Request for Reconsideration:** If there are errors in the Patent Trial and Appeal Board's decision, you can point them out to the Board and ask them to reconsider the decision. I was initially skeptical of this approach, but in some cases, like the Oracle example above, applicants are succeeding. This option may also be the fastest way to success.
- **File an appeal with the Court of Appeals for the Federal Circuit (CAFC):** At the other end of the spectrum is filing an appeal of the Board's decision to the Court of Appeals for the Federal Circuit. There were more of these than I expected (I

honestly didn't expect any), including one example of an independent inventor filing an appeal.

You only have 63 days to take action after losing an appeal or your application will go abandoned. If you have a pending appeal, it might make sense to consult now with your patent attorney or agent to determine what action would be best should you lose your appeal. The 2019 Guidance has increased the chance of prevailing on appeal, but the loss rate is still 80%.

Know Your Examiner

An important consideration in determining how to best proceed is to determine how your particular examiner has responded to the 2019 Guidance. As we reported last month in "[Business Method Patents Recover Under USPTO Guidance](#)", overall allowance rates are up in business methods. Most examiners now have a broader view on what qualifies as statutory subject matter. If you review what your examiner has allowed since the new guidance came out, that may point the way to claim amendments that will be successful should you decide to file an RCE.

Not all examiners, however, have responded with equal enthusiasm to the new guidance. If you have one of the more reluctant examiners, then that may point you towards the option of filing a continuing application. You even have the option of adding more technical content to your patent application if that is lacking in your original filing. The more technical content, the better. Redrafting with new technical content, however, without sacrificing your original filing date, is quite tricky. Nonetheless, several patent agents and attorneys I have spoken with have found this approach to be quite effective.

There are many options available to an applicant after losing an *Alice* appeal. Talk to your patent attorney or agent about what the best options might be for you. If your invention is important, you can still fight on.

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Concerned June 17, 2019 9:30 am

Class 705, s101 rejection and in appeal.

Frustrating that my rejection was not factual or truthful on the surface.

Claims cannot be routine, well understood or conventional if nobody on Earth has ever performed even one of the my claims, and certainly not performed in combination. The examiner even refused to rebut the evidence which proved my point.

The examiner also admitted in writing that the rejection was not based on the same subject matter, only similar case law way outside my field of technology. There is a reason that experts and working professionals in my field have been unable to solve the problem since 1956 until my solution and it was not because the solution was routine, conventional and well understood.

My rejection was dead on arrival forcing the courts to do the USPTO's job.

Disclaimer: I think my examiner had marching orders from above.

Night Writer June 17, 2019 10:45 am

Interesting. Some of our clients are doing this too. It will, of course, only last so long before the clients start to give up. We are still in the phase of the clients having lived through plenty of nonsense from the courts, CAFC, Congress, and the Scotus that they are willing to keep spending money for a while longer.

B June 17, 2019 10:56 am

Mark, I respect you and value your insight. All that said, the USPTO and courts are free fabricate and break whatever law they choose with zero risk of being called out for their misbehavior.

mike June 17, 2019 12:07 pm

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How might one do this without losing priority benefit?