KILPATRICK TOWNSEND

5 KEY TAKEAWAYS

Berkheimer v. HP Inc.

Kilpatrick Townsend Partner Karam J. Saab offers five key takeaways describing the effects of *Berkheimer v. HP Inc.* (881 F.3d 1360) in subsequent PTAB decisions and how it is benefiting patent applicants.

Key takeaways from the presentation include:

1

Berkheimer v. HP Inc. (881 F.3d 1360) provides a substantial tool for the applicant to push back on certain types of 35 U.S.C. §101 rejections by clarifying that "the question of whether a claim element or combination of elements is well-understood, routine, and conventional to a skilled artisan in the relevant field is a question of fact." *Berkheimer* additionally raised the bar on what constitutes a well-understood, routine, and conventional concept, distinguishing it from a concept that is merely disclosed in a piece of prior art.

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Shortly after the Federal Circuit handed down the decision, the Patent and Trademark Appeal Board (PTAB) began frequently citing *Berkheimer* in its decisions as a factor whether to reverse examiners' 35 U.S.C. §101 rejections, even though neither examiners nor applicants had explicitly considered the implications of *Berkheimer* in their appeal briefs and responses.

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From March 1 to July 10, 2018, 57 appeal decisions by the PTAB cited *Berkheimer* as a determining factor of whether a claim element is well-understood, routine, and conventional is a question of fact. Of these 57 decisions, 19 overturned the examiner's §101 rejections, resulting in a reversal rate of 33.3%. Of the 57 appeal decisions made by the PTAB citing the requirement of a factual inquiry into conventionality, 43 appeal decisions were in Technology Center 3600. Of the 43 appeals in Technology Center 3600 involving §101, 13 reversed the examiner's rejection on §101, resulting in a 30.2% reversal rate.

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For comparison, 286 appeal decisions issued between October 1, 2017 and January 31, 2018, were analyzed in which a §101 rejection was appealed. Of these 286 appeal decisions, 31 overturned the examiner on §101, resulting in a reversal rate of 10.8%. Showing an even greater contrast, in Technology Center 3600, 177 appeal decisions in which a §101 rejection was appealed were issued during this time period. Of the 176 appeal decisions, only 12 reversed the examiner on §101, for a reversal rate of 6.8%.

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An increase in reversal rate of over 23% in Technology Center 3600 when a PTAB decision cited *Berkheimer* is a significant applicant-friendly shift with regard to §101 subject matter eligibility rejections. Where possible, arguments invoking *Berkheimer*

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An increase in reversal rate of over 23% in Technology Center 3600 when a PTAB decision cited *Berkheimer* is a significant applicant-friendly shift with regard to §101 subject matter eligibility rejections. Where possible, arguments involving *Berkheimer* should be used as a basis for arguing 35 U.S.C. §101 rejections with the examiner and with the PTAB.

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