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Intellectual Property Alert

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USPTO's *Desjardins* and SMEDs reset the § 101 playbook for AI

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New USPTO guidance on Desjardins and SMEDs offers clearer paths for AI and ML patent eligibility under §101.

What's the impact?

- By adding *Desjardins* to the MPEP, USPTO signals clearer and more supportive guidance for AI inventions under § 101's "something more" framework.
- New SMED guidance encourages applicants to use declarations with factual evidence to strengthen responses to § 101 rejections.
- Together, the update aims to increase predictability in patent eligibility to accommodate a surge in AI-related filings.

As part of his first actions as USPTO Director, John Squires confirmed his commitment to reforming the Office's policies regarding patentable subject matter eligibility by updating the MPEP to reflect the *Ex parte Desjardins* decision (advance notice of change) and issuing two memos raising awareness of declarations for traversing § 101 rejections (1 and 2).

Ex parte Desjardins

Ex parte Desjardins is a precedential decision from the Appeals Review Panel authored by Director Squires and involving claims directed to improvements in machine learning (ML) technology. While not creating new legal precedent or agency procedures, the decision expands on the "something more" framework from *Alice* and how to establish subject matter eligibility under that framework. In *Ex Parte Desjardins*, the panel considered holdings from *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016) and other Federal Circuit precedent that claims directed to improvements in the functioning of a computer or to improvements in other technologies or technical fields are patent eligible, respectively—and held that the claims in *Ex parte Desjardins* were likewise eligible, reasoning that the claimed methods allowed systems to reduce the use of storage capacity by helping ML models learn new tasks while protecting knowledge of previous tasks. By adding the decision to the MPEP, the USPTO essentially incorporates and formalizes longstanding Federal Circuit patent-eligibility precedent as agency practice, with the added twist that examiners now should consider this precedent to evaluate claims related to ML and artificial intelligence (AI).

Subject Matter Eligibility Declarations (SMEDs)

Via two separate memos issued on December 4, Director Squires emphasized the ability of applicants to voluntarily submit Subject Matter Eligibility Declarations (SMEDs) addressing § 101 rejections under Rule 132. While SMEDs may not supply information otherwise required with the filing, the declarations can be used to clarify the record and provide objective evidence supported by actual proof supporting eligibility. As with other evidentiary declarations, SMEDs must comply with the general rules for submitting such declarations under M.P.E.P. § 716, including being signed by persons with knowledge of the facts asserted therein. In turn, examiners will consider the facts in the SMED, together with other relevant evidence of record, and determine eligibility based on the preponderance of the evidence.

Some recommendations and examples for submitting SMEDs include:

- Submit as stand-alone documents addressing only § 101 rejections (responding to rejections based on other grounds can be addressed in separate declarations);
- Do not improperly supplement the specification but provide facts that show an invention's technological improvement (e.g., comparative testing showing superior results or performance over prior art or expert testimony establishing the state of the art at the time of filing and how an invention improved it);
- Establish that a judicial exception does not apply (e.g., expert testimony that a limitation determined to be a mental process abstract idea cannot be practically performed in a human mind, or that a claim step—like requiring administration of a prophylactic dosage—imposes a meaningful limit on an otherwise ineligible abstract idea); and

- Establish that conventional elements in a claimed method when considered individually provide an inventive concept due to the specific unconventional arrangement of those elements (e.g., testimony of how a certain ordering of filters in a method results in a more efficient filtering system that allows users flexibility not available in prior art).

These recent actions are likely part of a larger effort by the USPTO on elaborating guidelines that will help set expectations and predictability for examiners and applicants regarding patent eligibility issues, especially as the Office prepares for an influx of applications related to ML and AI topics.

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