

[Examining Eligibility Case Law Since the Supreme Court's 'Original Sin': Failure to Define 'Abstract Ideas' in Alice - IPWatchdog.com | Patents & Intellectual Property Law](#) Examining Eligibility Case Law Since the Supreme Court's 'Original Sin': Failure to Define 'Abstract Ideas' in Alice

# Examining '101 Eligibility Case Law Since the Supreme Court's 'Original Sin': Failure to Define 'Abstract Ideas' in *Alice*



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“The unworkable *Alice* abstract ideas framework divined by the Supreme Court has led to the Federal Circuit developing some corollary doctrines that don't make sense.”



Subject

matter eligibility has been the most confounding and unpredictable issue in patent law since the [Alice decision issued in 2014](#), especially for inventions involving the computer arts. Of course, computers are now ubiquitous and are involved in the implementation of not just electronics, but also mechanical devices, drug administration, and so on. The *Alice* decision touches many different types of inventions.

Experienced patent attorneys—who are supposed to be able to counsel their clients—are unable to predict with any certainty whether a patent will satisfy Section 101 in district court. Even if a patent survives a challenge in district court, the patent faces another roll of the dice at the Federal Circuit. The Federal Circuit gives district courts little to no deference on patent eligibility and is all over the map with its decisions.

The root of the problem is the [failure of the Supreme Court to define “abstract ideas”](#) in the first instance. That is the “original sin,” and it continues to plague the patent eligibility inquiry.

Justice Thomas could have defined “abstract ideas” in *Alice*, but he casually demurred: “In any event, we need not labor to delimit the precise contours of the ‘abstract ideas’ category.” *Alice Corp. Pty. Ltd. v. CLS Bank Intern.*, 573 U.S. 208, 221 (2014). Maybe the Court didn’t labor itself—but the patent community and the lower courts have labored mightily ever since in trying to figure out the doctrine and how to apply the *Alice* framework.

Sadly, the Supreme Court has repeatedly refused to take up cases to provide a definition for “abstract ideas” and provide some much-needed guidance on the problematic *Alice* two-step inquiry. In recent years, the Supreme Court has declined to grant cert in the following cases:

- drive shafts for pick-up trucks (*American Axle v. Neapco*) are patent-ineligible.
- airline luggage using a dual-access lock (*Troop v. Travel Sentry*) is patent-ineligible.
- wearable media players (*Interactive Wearables v. Polar Electro*) are patent-ineligible.
- garage door openers (*Chamberlain Group v. Techtronic*) are patent-ineligible.

Consider *American Axle v. Neapco*. In dissenting from the holding that drive shafts for autos were not eligible for patenting, Judge Moore warned that “the majority’s holding that these claims to manufacturing an automotive drive shaft are ineligible has sent shock waves through the patent community.” *American Axle & Mfg. v. Neapco Holdings LLC*, 967 F.3d 1285, 1306 (Fed. Cir. 2020).

Judge Moore was right—it did send shock waves through the patent community, and it heightened the already existing crisis in the patent

bar and in the courts. Yet, the Supreme Court has done nothing to address the problem.

The consequence is that U.S. patents are significantly encumbered compared to patents issued in other countries. It makes the U.S. Patent System less competitive than other countries that issue and adjudicate patents without subjecting them to such restrictive and unpredictable patent-eligibility criteria. This includes Europe and China.

The *Alice* decision is not just bad law academically speaking. It devalues U.S. patents and undermines the innovation ecosystem that the U.S. patent system is designed to drive.

## **Bad Law Produces Bad Outcomes and More Bad Law**

The unworkable *Alice* abstract ideas framework divined by the Supreme Court has led to the Federal Circuit developing various corollary doctrines that don't make sense.

### **1. The Problematic Conflation of Section 101 with Section 102/103**

Long ago, the Supreme Court warned that the statutory subject matter inquiry under Section 101, which defines the ***types of invention*** that can be patented, was distinct from and not to be confused with the prior art inquiry under Section 102/103, which set the ***conditions for patentability***. *Diamond v. Diehr*, 450 U.S. 175, 188-189 (1981) (“The “novelty” of any element or steps ... is of no relevance in determining whether the subject matter of a claim falls within the [§ 101](#) categories of possibly patentable subject matter.”).

That distinction has been left by the wayside. Assuredly, performing routine tasks on a computer was indeed, at one time, novel and

patentable. So, the Section 101 *Alice* analysis has become totally conflated with Section 102/103.

For example, the Federal Circuit’s Step One inquiry asks what is the “focus of the claimed advance over the prior art.” *TecSec, Inc. v. Adobe Inc.*, 978 F.3d 1278, 1292 (Fed. Cir. 2020). *See, e.g., Recentive Analytics Inc. v. Fox Corp.*, 134 F.4th 1205, 1211-12 (Fed. Cir. 2025); *Hawk Tech. Sys. LLC v. Castle Retail LLC*, 60 F.4th 1349, 1356, (Fed. Cir. 2023); *Simio, LLC v. FlexSim Software Products*, 983 F.3d 1353, 1359 (Fed. Cir. 2020); *Koninklijke KPN N.V. v. Gemalto M2M GMBH*, 942 F.3d 1143, 1149 (Fed. Cir. 2019).

Evaluating the “claimed advance over the prior art” is a Section 102/103 **prior art inquiry**, not a Section 101 subject matter inquiry. Identifying the claimed advance over the prior art does not answer the *Alice* Step One test of “whether the claims at issue are directed to an [abstract idea].” *Alice*, 573 U.S. at 217.

It’s not just *Alice* Step One that has become conflated with Section 102/103.

The Step Two test is whether the claim limitations are “well-understood, routine, [or] conventional.” *Alice*, 573 U.S. at 225. Whether a limitation is well-understood, routine, or conventional is a Section 102/103 inquiry.

Prior to *Alice*, former Chief Judge Rader long ago wisely counseled that Section 101 was intended to be a threshold test to the hard work of determining whether an invention is anticipated or obvious under Section 102/103. *Research Corp. Tech., Inc. v. Microsoft Corp*, 627 F.3d 859, 868-869 (Fed. Cir. 2010) (Section 101 is a “course eligibility filter” in a statutory framework that “directs primary attention on the patentability criteria of the rest of the Patent Act”). Judge Rader was

right, and the confusion between patent-eligibility and patentability in the case law since *Alice* proves it.

## **2. The Conflation of Section 101 with Section 112: The Claims Must Explain “How To” Practice the Invention**

Judge Moore warned in the *American Axle* case that the majority was creating an “enablement on steroids” requirement that the **claims** must enable the invention, instead of the **specification** enabling what is claimed. *American Axle*, 967 F.3d at 1305, 1316 (criticizing the majority’s “new blended 101/112 analysis” where “even if the claims are enabled, they are still ineligible because the **claims themselves** didn’t teach *how*” to make and use the invention).

Judge Moore was right.

It has long been the case that the claims define the invention, and the role of the specification is to enable a POSITA to make and use what is claimed.

Now—because the *Alice* test articulated by the Supreme Court is nearly impossible to apply—the Federal Circuit’s Section 101 jurisprudence has devolved into an inquiry into whether the claim itself explains “how to” make the invention. More specifically, the claim must state the “specific means or method” that achieves the claimed result. No such requirement is found in Section 101.

The Federal Circuit imposes this new claims-enablement requirement in stating that the Step One test focuses on whether the claim state a “specific means or method” to carry out the invention or instead states a “result or effect.” *See, e.g., PowerBlock Holdings, Inc. v. iFit, Inc.*, 146 F.4th 1366, 1371 (Fed. Cir. 2025); *Yu v. Apple Inc.*, 1 F.4th 1040, 1043 (Fed. Cir. 2021); *EcoServices, LLC v Certified Aviation*

*Services, LLC*, 830 F.Appx. 634, 642 (Fed. Cir. 2020); *Koninklijke KPN N.V. v. Gemalto M2M GmbH*, 942 F.3d 1143, 1150 (Fed. Cir. 2019); [\*Smart Sys. Innovations, LLC v. Chi. Transit Authority\*, 873 F.3d 1364, 1371 \(Fed. Cir. 2017\)](#).

There has never been a requirement in the Patent Statute that the claims must enable themselves or that they must specify “how to” carry out the invention. This “how to” test for patent eligibility is just another example that demonstrates the unworkability of the *Alice* framework and how it results in the development of corollary doctrines that do not make sense.

### **3. Using a Common Law “Sounds Like” Methodology Is No Substitute For a Workable Test based on a Definition.**

Because *Alice* did not define “abstract ideas” and did not set forth a workable test, the Federal Circuit has been forced to follow a “common law approach” where subject matter eligibility is decided based on finding cases with similar facts, instead of applying a legal test.

As stated by the Court in *Amdocs*:

“However, a search for a single test or definition [of “abstract ideas”] in the decided cases concerning [§ 101](#) from this court, and indeed from the Supreme Court, reveals that at present there is no such single, succinct, usable definition or test. ... Instead of [applying] a definition, then, the decisional mechanism courts now apply is to examine earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were about, and which way they were decided. [cite omitted] That is the classic common law methodology for creating law when a single governing definitional context is not available.”

*Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1294 (Fed. Cir. 2016).

The result of this common law approach to Section 101 is that we have an ever-expanding hodgepodge of “categories” deemed to be abstract ideas that are not tied to an objective test and that become harder to reconcile over time.

Rather than being defined, “abstract ideas” has become a nonce word for any variety of categories determined to be undeserving of patent protection using the Federal Circuit’s common law approach.

For example, it is now well-established in Federal Circuit case law that collecting, analyzing, and outputting data is an abstract idea. *See, e.g., Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353–54 (Fed. Cir. 2016).

But is the use of computers, algorithms, and displays to collect, analyze, and output data really an “abstract idea”? Doesn’t seem like it. In *Content Extraction*, the panel held that data collection, analysis, and output is an abstract idea because it is “indisputably well-known.” *Content Extraction & Transmission v. Wells Fargo Bank*, 776 F.3d 1345, 1347 (Fed. Cir. 2014). But that makes little sense. How does a practice being well-known transform it into an abstract idea? It doesn’t. Something being well-known is a **prior art construct**, not a test for whether something is an abstract idea.

Moreover, using a computer and algorithm to collect, analyze, and output data is quite concrete and tangible—it’s not an abstraction. Yet, it is now defined as a common law category of “abstract idea” that can be used to deconstruct a claim into one or more abstract ideas.



Similarly, the Federal Circuit has held that “encoding and decoding image data and ... converting formats, including when data is received from one medium and sent along through another, are by themselves abstract ideas.” *Hawk Tech. Sys. LLC v. Castle Retail LLC*, 60 F.4th 1349, 1357 (Fed. Cir. 2023) (citing *Adaptive Streaming Inc. v. Netflix, Inc.*, 836 F. App’x 900, 903 (Fed. Cir. 2020)).

Why is encoding/decoding image data an abstract idea? There are a number of incredibly innovative and groundbreaking technologies that involve encoding/decoding data—JPEG and MPEG being just a couple. Innovative coding technologies developed in the future will likely be found to be patent-ineligible because of the coding/decoding subcategory of abstract ideas created by the Federal Circuit.

There are a number of other categories of subject matter identified as abstract ideas under the common law approach to Section 101 that the Federal Circuit has been forced to adopt because of the absence of a definition of “abstract ideas” and the vagaries of the unworkable *Alice* two-step framework.

## Closing Thoughts

The absence of a definition for “abstract ideas” is the root problem. The two-step *Alice* test is unworkable on its face, and this has been proven out by the inability of district courts and the Federal Circuit to decide subject matter eligibility with any predictability.

The Supreme Court needs to step in to clarify *Alice*. Alternatively, a legislative fix like [the PERA legislation](#) should fix the problem. If neither occurs, Section 101 jurisprudence just might evolve into Gene Quinn’s “drop it on your foot” test: If you can drop it on your foot, it passes Section 101. The recent [PowerBlock case](#) finding that an invention for selecting dumbbells for weightlifting is patent-eligible

aligns with that. Let's hope that reform is delivered by the Supreme Court or the Hill soon.