101 Crossroads: Can the USPTO Fix What the Courts and Congress Won't? */ IPWatchdog Unleashed*

This week on IPWatchdog Unleashed, I have a conversation about patent eligibility with patent attorneys and IPWatchdog Advisory Committee members John Rogitz and Clint Mehall.

There can be little doubt that the U.S. patent system is at an inflection point. The growth of artificial intelligence (AI) is accelerating, and there is a growing understanding that dominating AI technologies is a matter of national and economic security. But as important as everyone seems to recognize AI innovation to be, there is widely diverging handling of AI innovations within government, with almost astonishingly different views between the Executive Branch and the Judicial Branch, and the Legislative Branch simply missing in action.

On one side stands a U.S. Patent and Trademark Office (USPTO) making a concerted effort to restore predictability and coherence to patent eligibility. On the other side sits a Federal Circuit that continues to inject uncertainty, inconsistency, and—too often—intellectual laziness into Section 101 jurisprudence. That tension was

front and center in our discussion about the state of patent practice, Director Squires' recent initiatives, and the broader policy implications for innovation in the United States.

John, Clint and I discuss how the USPTO is trying to bring certainty to the examination of patent applications that have been plagued with patent eligibility headaches and complications for most of the last 15 years. During our conversation we focus on the recent updates to the Manual of Patent Examining Procedures (MPEP), which came out earlier this month in response to the decision of the Appeals Review Panel in *Ex parte Desjardins*. We also spend time discussing the continued mess that is the Federal Circuit approach to patent eligibility and the absence of Congressional oversight or reform.

Restoring Discipline, Structure and Certainty

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Under the leadership of USPTO Director John Squires, the Patent Office is attempting to restore discipline and structure to the Section 101 inquiry. The Office earlier this month updated Section 2106 of the Manual of Patent Examining Procedures (MPEP) in light of the ARP's recent decision in *Ex parte Desjardins*, which was before Director Squires, Acting Commissioner Valencia Martin Wallace, and PTAB Vice Chief Judge Michael Kim. In *Desjardins*, the panel of Squires, Wallace and Kim decided that improvements to the training of a machine learning technology were patent eligible. With the Patent

Office emphasizing the importance of real-world technological improvements, requiring examiners to engage with the specification, and rejecting overbroad "abstract idea" characterizations—particularly for AI and machine-learning inventions. With the MPEP not emphasizing that a claimed invention can satisfy the patent eligibility requirement not only by improving the functioning of a computer, but also if it improves at technical field. To that end, in *Desjardins* the invention related to how the machine learning model itself would function in operation, which was enough to render the claimed invention patent eligible, at least in the view of the Office.

At the same time the Patent Office is taking action, the Federal Circuit continues to inject uncertainty into the system. As John notes during our conversation, the decision of the USPTO in *Desjardins* could be viewed as inconsistent with the precedential decision of the Federal Circuit in *Recentive Analytics, Inc. v. Fox Corp.*, which was handed earlier this year, on April 18, 2025, by a panel of Judges Dyk, Prost and Chief District Judge Goldberg, who was sitting by designation.

Writing for the unanimous panel, Judge Dyk explained that *Recentive* was a case of first impression, which asked "whether claims that do no more than apply established methods of machine learning to a new data environment are patent eligible." Not surprisingly, this panel held that they are not, and during the podcast we talk about some of the possible mistakes made in the drafting of the patent and claims at issue in *Recentive*, which seems highly questionable. More specifically, relying on conventional techniques without identifying specific improvements achieved has not been enough for most of the last generation.

Notwithstanding, we can't let the Federal Circuit off the hook entirely, or even a little bit. I point out that I find it hard to take any patent eligibility decision of the Federal Circuit seriously. The court continues to steadfastly refuse to define the term "abstract idea," which is *the* essential question. They time and time again claim they are constrained by Supreme Court precedent, but that is simply not true. The Supreme Court never forbid the Federal Circuit from defining the term "abstract idea"; that is just something the Federal Circuit has taken it upon themselves to refuse to do. The Federal Circuit also continues to decide patent eligibility matters—which necessarily requires the court to decide what these claims cover—without a claim construction, which is entirely absurd. How can the court possibly know what a claim covers without construing the claims? It is as if the Federal Circuit possesses some psychic power that allows them to know without effort or thought what claims mean, which is as silly as it sounds.

This is not doctrinal confusion—it is a judicial choice that enables early case dismissal while undermining the patent statute and harming innovators. And while the USPTO is clearly moving in the right direction, meaningful judicial cooperation or legislative correction of Section 101 there is only so much the USPTO can do. Indeed, patent eligibility reforms at the Patent Office can only go so far. Sure, they can help applicants obtain patents, but without a modicum of sanity from the Federal Circuit, keeping those patents once issued remains only a fleeting hope.

Weak Patents Enable Copying, Not Progress

The conversation ultimately focuses on first principles: patents are private property rights, and private property is foundational to innovation. And a patent system that cannot protect modern technology cannot sustain long-term innovation. This is not

theoretical. It is visible in markets where dominant platforms replicate competitor functionality with impunity.

The bottom line is this: Weak patents encourage copying. Strong patents do not block innovation, but instead force creative, motivated innovators to innovate around, which is precisely how technological progress accelerates and why a patent system works to create more—not less—innovation.