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Patenting fintech AI: How emerging standards reveal where valuable IP can be engineered

Robert Klinski of Patentship investigates how AI fintech standards are not mere compliance frameworks but maps for invention; understanding them can show exactly where patentable mechanisms lie.

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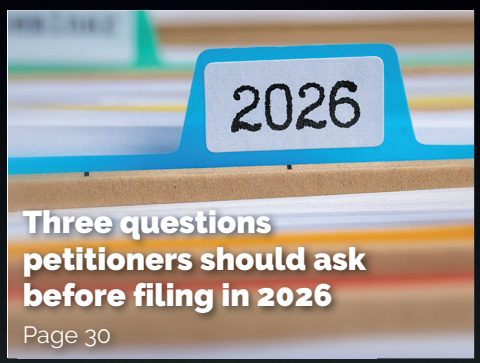

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CTC Legal Media

Jurisdictional Briefing, US: Clarity, not change: understanding the USPTO's latest § 101 guidance

Jeffrey Waters and David Kincaid of Cantor Colburn LLP provide an insightful analysis of the USPTO's latest memorandum supporting efforts to bring predictability and uniformity to subject matter eligibility.

The U.S. Patent and Trademark Office (USPTO) continues to emphasize predictability and uniformity in subject matter eligibility (SME) analysis. In its 4 August, 2025, memorandum "Reminders on Evaluating Subject Matter Eligibility of Claims Under 35 U.S.C. § 101," Deputy Commissioner for Patents, Charles Kim, reiterated that examiners must apply the existing SME framework consistently, particularly for inventions relating to software and artificial intelligence (AI).

According to the USPTO, although directed primarily to technology centers 2100, 2600, and 3600 (where SME rejections have increased in frequency), the Memo was shared across all technology centers.

For practitioners, the Memo serves as a clarifying checkpoint. It reinforces the importance of grounding arguments and claim strategies within the established *Alice/Mayo* framework, as articulated in the Manual of Patent Examining Procedure (MPEP) and the USPTO's July 2024 AI Subject Matter Eligibility Update. (For more information on the Memo, see Cantor Colburn's Client Alert, "USPTO Issues Memo on 'Reminders on Evaluating Subject Matter Eligibility of Claims Under 35 U.S.C 101'" at www.cantorcolburn.com)

Clarifying boundaries: what the Memo reinforces

One of the Memo's central reminders is that examiners must avoid overextending the "mental process" category of abstract ideas. Examiners are specifically directed not to treat limitations as mental processes unless they can practically be performed entirely in the human mind. This clarification should help narrow overly broad rejections that have sometimes ensnared legitimate computer-implemented innovations.

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David Kincaid

The USPTO also reminds examiners to differentiate between claims that recite a judicial exception and those that merely involve one. This distinction – often blurred in practice – matters. A claim that merely involves an abstract idea or law of nature may still be eligible without further analysis, whereas a claim that recites one requires evaluation under Step 2A of the *Alice/Mayo* test. For practitioners, that distinction often means the difference between allowance and a protracted eligibility battle.

A holistic lens on claim evaluation

The Memo emphasizes a holistic approach to claim analysis. Examiners are instructed to consider the claim as a whole (how its elements interact and work together) rather than dissecting limitations in isolation. When a claim does recite a judicial exception, the examiner must determine whether it integrates that exception into a practical application. That could mean improving computer functionality, enhancing a technical process, or applying the concept in a way that imposes meaningful limits beyond a generic technological environment.

Notably, the Memo encourages examiners to look to the specification for support of such improvements, even when the claims themselves do not explicitly recite them. This recognition offers applicants some flexibility: a well-crafted specification that articulates technical advantages and problem-solving contributions can bolster eligibility arguments even when claim language is streamlined.

Raising the evidentiary bar for § 101 Rejections

In a noteworthy procedural reminder, the USPTO directs examiners to issue § 101 rejections only when a claim is *more likely than not* ineligible. This threshold discourages speculative or uncertainty-driven rejections. Examiners must be able to substantiate their reasoning with specific evidence and clear alignment with USPTO guidance, rather than relying on generalized assumptions about abstractness.

Cultural shift in SME treatment at the USPTO

The Memo's most important contribution may not be doctrinal, but cultural: it signals the USPTO's ongoing effort to harmonize examination outcomes, reduce examiner variability, and offer applicants a clearer roadmap.

This cultural shift can be seen through USPTO Director John Squires' recent *sua sponte* overriding of a PTAB's imposition of a new SME rejection in an *ex parte* appeal. *Ex parte Desjardines*, Appeal No. 2024-000567, Sept. 26, 2025. Director Squires noted that the panel's overly broad reasoning was understandable given the confusion around § 101 jurisprudence, but troubling in light of what's at stake. He also acknowledged the importance of AI to the United States: "Categorically excluding AI innovations from patent protection in the United States jeopardizes America's leadership in this critical emerging technology." Director Squires' decision focused on the disclosed "improvement" to AI training and relied on *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016). Director Squires further stated that the prior art and sufficiency of disclosure standards in 35 U.S.C. §§ 102, 103, and 112 are "the traditional and appropriate tools to limit patent protection to its proper scope" and should be the focus of examination, not § 101.

Practical implications for practitioners

For patent attorneys, the message is straightforward: consistency, clarity, and context are the best tools for navigating SME rejections. Applicants should highlight the technical problem solved and the technological improvement achieved to align with the USPTO's interpretation of "practical application." When responding to § 101 rejections, practitioners should cite the Memo and USPTO Example 39, both of which the Office reaffirmed as relevant guideposts for demonstrating eligibility.

For practitioners working with software and AI inventions, a uniform approach to subject matter eligibility would represent genuine progress. By ensuring consistency in its application, the USPTO could restore much-needed predictability and confidence to the examination process.

Résumés

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