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Intellectual Property

The USPTO Opens the Door Wider for AI Patents

Key points from the September 29, 2026 Senate Judiciary hearing and recently published § 101 guidance. Recent statements and guidance from the United States Patent and Trademark Office indicate a more receptive examination approach to patent applications involving artificial intelligence, while questions concerning patent eligibility under current case law remain.

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Key Takeaways

- The USPTO is encouraging applicants to submit AI-related patent applications notwithstanding potential eligibility concerns.
- The precedential decision in ***Ex parte Desjardins*** and updated guidance provide additional direction on applying § 101 to AI and software inventions.
- Applicants may use the voluntary Subject Matter Eligibility Declaration (SMED) framework to submit evidence relevant to eligibility.
- Patent specifications should identify the specific technical improvement attributed to the claimed invention.
- USPTO guidance applies to examiners but does not bind federal courts; litigation risk under *Alice/Mayo* remains, and future agency leadership may revise the current approach.

On September 29, 2026, United States Patent and Trademark Office (USPTO) Director John A. Squires testified before the Senate Judiciary Subcommittee on Intellectual Property regarding patent protection for AI-related inventions. He encouraged inventors and counsel to submit applications rather than forgo filing based solely on anticipated eligibility concerns, stating, "Bring them to the US patent office," and observing that if innovators do not file, "we won't even see what we're missing." His testimony followed a series of guidance documents, examiner training initiatives, and a precedential agency decision addressing the examination of AI-related patent applications.

Recent USPTO Initiatives

Director Squires's testimony reflects the USPTO's recent efforts to clarify its approach to patent eligibility for AI and software inventions. Drawing an analogy between current AI developments and Samuel Morse's telegraph, Squires told senators that the Office's "doors are wide open just as they were 186 years ago."

These efforts include *Ex parte Desjardins* (Appeal No. 2024-000567), a September 2025 precedential Appeals Review Panel (ARP) decision involving a Google DeepMind method for training machine learning models to reduce "catastrophic forgetting." The decision concluded that the claimed invention was directed to a concrete technological improvement rather than an abstract idea. It also stated that Sections 102, 103, and 112 of the Patent Act should address novelty, nonobviousness, and claim scope rather than incorporating those issues into the Section 101 analysis. The USPTO subsequently issued updated examiner guidance, provided targeted training for examiners in software and AI technology areas, and established an internal § 101 working group.

The Office also introduced the voluntary Subject Matter Eligibility Declaration (SMED), a framework under 37 C.F.R. § 1.132 through which applicants may submit a sworn declaration providing objective evidence that a person skilled in the art would understand the specification to describe a technological improvement, such as making a process or system "better, cheaper, faster, and/or more efficient." The USPTO has stated that "early feedback indicates that voluntary submitters are having success," although the available information does not establish how broadly those results may apply.

Section 101 Framework and USPTO Guidance

Patent eligibility under 35 U.S.C. § 101 is governed by broad statutory language. Under the Supreme Court's decisions in *Alice Corp. v. CLS Bank* (2014) and *Mayo Collaborative Services v. Prometheus Laboratories* (2012), courts and examiners apply a two-step framework to determine whether a patent claim is directed to an "abstract idea" or a "law of nature" and, if so, whether the

claim includes an "inventive concept" sufficient to make it patent-eligible. This framework continues to affect the examination and enforcement of software and AI-related patents.

Director Squires's written testimony addressed the relationship between § 101 and the requirements of §§ 102, 103, and 112. He stated that "collapsing [the] distinct requirements [of §§ 102, 103, and 112] into an overbroad eligibility analysis can create uncertainty without improving patent quality." Guidelines also stated that eligibility rejections should be supported by a preponderance of the evidence and that, under Office guidance, "a 50/50 split should be decided in favor of the applicant." The *Desjardins* decision instructs examiners to identify the claimed technological improvement and to avoid characterizing claims at an unduly high level of abstraction.

Federal Circuit and PTAB Developments

The *Desjardins* ARP decision is precedential and binding on both examiners and the Patent Trial and Appeal Board (PTAB), which hears appeals from patent examination. The decision draws on the Federal Circuit's reasoning in *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016), which held that claims directed to a specific improvement in computer functionality are not abstract.

Director Squires has stated that the Office is seeking greater consistency among its examination, PTAB, and litigation positions on eligibility and has brought Professor John Duffy of the University of Virginia School of Law into the Office to assist with that work. Separately, the Patent Eligibility Restoration Act (PERA), sponsored by Senators Tillis and Coons, would revise statutory eligibility standards in areas including AI, diagnostics, and advanced computing. The Administration has not taken a position on the bill.

Practical Implications and Filing Strategy

In-house IP teams may wish to consider the following points when evaluating AI-related inventions and filing strategies:

- **Evaluate inventions on their facts.** The USPTO's current position may support filing AI-related applications that present a specific technological improvement. Eligibility should be assessed with patent counsel in view of the claims, specification, and business objectives.
- **Describe the technical improvement.** Specifications should explain how the invention improves the operation of a system or process, rather than relying solely on the use of AI in an existing process.
- **Assess whether a SMED would be useful.** A SMED may be filed separately from other declarations, including before a first Office action, using Patent Center document code "AF/D.SMED." Evidence from disinterested sources, such as trade publications describing

limitations known at the time of filing, may be relevant. The potential benefits should be weighed against cost, timing, and record-creation considerations.

- **Account for timing.** Because AI development cycles may be shorter than patent prosecution timelines, filing schedules should be coordinated with product development, disclosure, and portfolio priorities.
- **Recognize the limits of administrative guidance.** USPTO guidance applies to examiners but does not bind federal courts. Patents may continue to face eligibility challenges under the *Alice/Mayo* framework, and future agency leadership may revise or withdraw the current guidance. These considerations should be incorporated into broader IP and enforcement strategies.

Conclusion

The USPTO's recent statements, guidance, and precedential decision indicate a more defined examination approach for AI-related patent applications, particularly where the claimed invention is tied to a specific technological improvement. In-house IP teams should evaluate these developments alongside continuing uncertainty in the courts, the nonbinding effect of agency guidance outside the USPTO, and the possibility of future policy changes when developing filing and portfolio strategies.

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