



Intellectual Property Prosecution, Transactions & Portfolio Management Update

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PTAB Reverses Section 101 Rejection Based on Inconsistent Claim Construction

On April 24, the Patent Trial and Appeal Board (PTAB) of the U.S. Patent and Trademark Office (USPTO) issued a decision on a Request for Rehearing in *Ex parte Jaros et al.*, Appeal 2025-002134 (Application No. 16/927,976), reversing the examiner's rejection of claims 1-15 and 31-41 under 35 U.S.C. §101 and the two-part Alice/Mayo framework for determining subject matter eligibility. The decision is significant for patent applicants and practitioners alike because it establishes that an examiner may not employ shifting claim constructions across different steps of the two-part Alice/Mayo framework to sustain a rejection.

Background

The application at issue relates to a genomic test processing system that uses "engines," "microservices," and databases to manage orders and process data associated with genomic testing for cancer treatment. The examiner rejected claims 1-15 and 31-41 under §101, asserting the claims were directed to abstract mental processes without significantly more and, therefore, ineligible for patent protection. The examiner's §101 rejection was appealed to the PTAB, which affirmed the rejection. The appellant subsequently filed a Request for Rehearing for reconsideration of the decision.

Appealing a §101 rejection under the two-part Alice/Mayo framework for determining subject matter eligibility has historically been an uphill battle, with the affirmance rate by the PTAB in decisions on appeal hovering near 90%. Following a decision on appeal affirming the examiner, the success rate for the grant of a Request for Rehearing involving subject matter eligibility is a statistical longshot. The PTAB rarely reverses its original decision sustaining an examiner's §101 rejection unless a clear abuse of discretion or a major misunderstanding of fact is identified.

Inconsistent Claim Construction Issue

Central to the appeal was the examiner's treatment of the claim term "engine." At Step 1 and Step 2A, Prong 1 of the eligibility analysis, the examiner construed "engine" as "a software program that automates tasks," thereby classifying the invention as directed to an abstract idea in the mental process grouping. However, when evaluating whether there was a practical application or inventive concept at Step 2A, Prong 2 and Step 2B, the examiner shifted the definition, interpreting "engine" as "electronically connectable computer hardware" and "engines operating concurrently" as "parallel processors/processing."

The examiner defended the shift in definition by invoking the principles of compact prosecution, reasoning that because the specification disclosed "engine" could be implemented in hardware, software, or a combination of both, the USPTO could simultaneously evaluate a software embodiment as an abstract idea at one step and a hardware embodiment as an additional element at another.

PTAB Rehearing Decision

Upon reconsideration, the PTAB agreed with the appellant that the examiner's rejection was based on an impermissible inconsistent claim construction. The PTAB held that by interpreting "engine" only as software to find an abstract idea and then reinterpreting "engine" as generic hardware to deny an inventive concept, the examiner was impermissibly treating the claim language like a "nose of wax," which is a reference to the long-standing principle articulated in *Amazon.com, Inc. v. Barnesandnoble.com, Inc.*, 239 F.3d 1343, 1351 (Fed. Cir. 2001) that a patent may

not be twisted one way for one purpose and another way for a different purpose.

The PTAB explained its reasoning as follows: if the recited “engines” are deemed to encompass hardware structures for purposes of Step 2A, Prong 2 and Step 2B, they cannot simultaneously be dismissed in the same analysis as entirely abstract mental processes at Step 2A, Prong 1. Conversely, if the “engines” are evaluated as software at Step 2A, Prong 1, their logical structures and processes must be evaluated for technological improvements without redefining them as generic hardware components at later steps.

Holding and Outcome

Because the rejection under 35 U.S.C. §101 was not based on a consistent interpretation of the claims, the PTAB found that the examiner failed to satisfy the initial burden of establishing a prima facie case of subject matter ineligibility, granted the Request for Rehearing, and reversed the examiner’s rejection of claims 1-15 and 31-41.

Key Takeaways for Patent Applicants

This decision on a Request for Rehearing reinforces several important principles for practitioners navigating rejections based on the two-part Alice/Mayo framework for determining subject matter eligibility. First, an examiner must apply a uniform and consistent claim construction throughout the entire eligibility analysis; they cannot characterize a claim limitation as one thing to establish abstractness and then shift to a different characterization to defeat arguments for a practical application or inventive concept. Second, the doctrine that a patent cannot be treated like a “nose of wax” applies with full force in the eligibility context, meaning that the same claim terms must bear the same meaning at each step of the Alice/Mayo framework. Third, when specifications disclose that a claimed element may be implemented in multiple forms (e.g., hardware, software, or both), an examiner cannot selectively invoke different embodiments at different analytical steps to construct a rejection.

Patent applicants facing §101 rejections should carefully scrutinize whether the examiner has maintained a consistent claim construction across all steps of the

eligibility framework. If the examiner shifts the interpretation of claim terms between Steps 2A and 2B of the two-part Alice/Mayo framework, applicants should raise this inconsistency as a failure to establish a prima facie case of ineligibility, as demonstrated by the successful result in this case.

FOR MORE INFORMATION

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