

Sharing the 'secret sauce': Sterne Kessler launches Section 101 AI tool

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With the launch of a new patent eligibility AI tool, Sterne Kessler is leading a growing movement of law firms taking AI development into their own hands

Attorneys are no longer waiting for tech companies to build the AI tools they need.

Full-service IP law firm **Sterne Kessler** is proof of that with their recent launch of a Section 101 patent eligibility AI tool in partnership with Thomson Reuters.

The firm announced on May 13 that the Patent Claim Eligibility Analyzer, a CoCounsel AI tool, evaluates patent eligibility under Section 101 by running patent claims against existing case law data.

Daniel Block, director in Sterne Kessler's electronics practice group, says the AI tool will benefit practitioners by cutting down the time it takes to run patent eligibility analysis, while also speeding up litigation timelines.

The Patent Claim Eligibility Analyzer was first developed by Sterne Kessler's attorneys as a prototype.

The tool was further enhanced with the firm's partnership with Thomson Reuters.

"We needed the better data and engineering muscle that Thomson Reuters could provide, so we collaborated with their engineers to make the final product," notes Block.

Block says that as law firms increasingly develop AI tools tailored to address IP needs, it's vital to share the tools with other firms to benefit the overall IP ecosystem.

"Why would we give our secret sauce to our competitors? First, our firm realises that we're all in this together with AI. It's going to be a big challenge in our industry, and we want to show people what's possible. Also, we think it's a cool tool, and we wanted people to be able to use it," says Block.

Block notes that the patent eligibility tool is "one of many" that Sterne Kessler hopes to develop with Thomson Reuters, adding that there is "definitely one more tool in the pipeline" that is expected to roll out by the end of 2026.

Not a revenue driver

The development of the patent eligibility AI tool allows firms like Sterne Kessler to distinguish themselves amongst competitors by using AI to create new lines of business.

Firms are now developing in-house AI tools and distributing them to clients and competitors, creating an additional form of revenue.

However, Block notes that he doesn't expect the distribution of the patent eligibility analyser tool to be a "core revenue driver for the firm".

Block did not disclose the specific fee arrangement he has with Thomson Reuters and other firms, but he says that Sterne Kessler will rely on its traditional billing model as a primary source of revenue.

“We're a law firm first, so our core revenue driver is our billable hours and fees.”

Limitations

While Block says the AI tool will not generate significant fee income, he does expect it to benefit the overall IP industry.

Block emphasises the effectiveness and accuracy of the tool, while also recognising its limitations.

He says the tool is best at analysing claims regarding software and mechanical inventions but struggles with biotech claims.

Block says this is because biotech patent eligibility depends on disputed scientific facts rather than the established case law the tool is built to assess.

The firm and Thomson Reuters are looking at developing additional tools to better analyse biotech claims, according to Block.

Additionally, AI hallucinations remain an ongoing concern with attorneys.

To combat this, Block says that any AI-generated results from the tool will include clickable links directing you to the case it has cited.

The clickable link feature allows practitioners to check the case that the AI tool has cited, limiting any hallucination vulnerabilities.

Block notes that this tool is just a starting point for practitioners, and additional research will remain essential.

‘In the driver’s seat’

Law firms have expressed significant interest in utilising the patent eligibility AI tool, according to Block.

From in-house attorneys to private practitioners, Block is confident that the tool will help streamline research workflows.

Block hopes other law firms ‘get in the driver’s seat’ and begin developing and distributing their own AI tools.

“One of the legacy problems we’ve encountered is that there are all these companies that make legal software, but they're not focussed on the types of workflows that attorneys are using on a daily basis.”

He adds: “So, who better to describe and dictate what those workflows are than the attorneys themselves? This AI revolution opens so many opportunities for attorneys to come up with workflows that are efficient for the attorneys doing the actual work.”

This belief system drives Block’s AI research and development vision.

He shares that Sterne Kessler and Thomson Reuters are currently developing AI tools in the e-discovery, chemistry, biotech, and data capture spaces.

Block expects that other law firms will follow suit and begin developing tools to uplift the IP industry.

With law firms looking to secure their competitive edge with AI tool development, Sterne Kessler is making the case that sharing tools creates an even greater advantage.