The "Patent Eligibility Restoration Act of 2023'' Has My Support

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I. INTRODUCTION.

I support passage of the "Patent Eligibility Restoration Act of 2023," (herein after "the ACT")

The text and revision thereto, of this ACT, will eventually be available from Congress.gov, here. Until then, you can find the original text on Senator Tillis' senate.gov subdomain, here.

Below, I explain the history leading up to the current state of patent eligibility law, the genesis of this bill, and why I support its passage.

II. HISTORY LEADING UP TO THE CURRENT STATE OF PATENT ELIGIBILITY LAW

The US Constitution empowered Congress to pass laws to provide patents for inventions and discoveries, in order to promote the useful arts. Congress did so. However, some time ago, the Supreme Court of the United States decided that the statutory law passed by Congress was insufficient, and it defined certain "judicial exceptions" to the categories of inventions eligible for a patent. For example, in 2010, in *Bilski v. Kappos*, Court stated:

> The Court's precedents provide three specific exceptions to § 101's broad patent-eligibility principles: "laws of nature, physical phenomena, and abstract ideas." *Chakrabarty, supra*, at 309, 100 S.Ct. 2204. While these exceptions are not required by the statutory text, they are consistent with the notion that a patentable process must be "new and useful." And, in any case, these exceptions have defined the reach of the statute as a matter of statutory stare decisis going back 150 years. *See Le Roy v. Tatham*, 14 How. 156, 174-175, 14 L.Ed. 367 (1853).

The Court's reference to "§ 101" refers to 35 USC 101, that is, section 101 of title 35 of the United States Code. Section 101 reads as follows.

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Section 101 defines the categories: process, machine, manufacture, or composition of matter. Section 101 states that these categories are eligible for a patent. In other words, section 101 provides that something that is process, machine, manufacture, or composition of matter, is eligible for a patent. For such a thing to be patented, it must also meets the other statutory requirements for a patent. Those other statutory requirements are: novelty (defined by section 102), nonobviousness (defined by section 103), written description, enablement, and claim

definiteness (defined by section 112).

From a policy perspective, judicial exceptions made sense because they could prevent patents on things that do not promote the useful arts. However, problems arose. Over the years, the Court and the lower courts struggled with what exactly constituted a "judicial exception" to patent eligibility. Because "judicial exceptions" are not defined in statutory law, the courts had to make up legal tests for "judicial exceptions." And because the judicial exceptions were divorced from statutory law, so were the tests defined by the courts. This has caused a great deal of confusion as to what is and is not a judicial exception to patent eligibility.

Some of these judicial exceptions tests conflate aspects of 102, 103, and 112 with patent eligibility. Procedural law also developed defining when and how a validity challenge based upon a judicial exception to patent eligibility could be presented. And the lower courts, bound by Supreme Court law, noted unintended consequences requiring them to hold invalid certain patents disclosing and claiming meritorious inventions. That is, lower courts were bound to strike down patents that in fact did promote the useful arts, because those patents happened to meet a Supreme Court definition of a judicial exceptions to patent eligibility.

Normally, when a statutory law does not meet its policy objective, the legislature changes the law to fix the disconnect between the law and the policy. Because US patent law is national law, for 101, that job falls to the Congress.

However, passing a law that changed judicial exceptions, by keeping the good exceptions and discarding the bad exceptions, raised a certain conceptual problem. Specifically, how, by statute, can you constrain something that is not in the statute? After all, a judicial exception, is not in the statute. It is, instead, an exception to what is in the statute.

To be more concrete, the statute in question states that a thing is patent eligible, if it is process, machine, manufacture, or composition of matter. The judicial exceptions state that a process, machine, manufacture, or composition of matter is not eligible if it is any of "laws of nature, physical phenomena, and abstract ideas."

Prior attempts to legislate away some, but not all, of the judicial exceptions, failed. I think they failed because of the fact that they attempted to remove from the statute, that which was not there in the first place, a judicial exception.

Congress and the patent bar struggled for years, attempting to define legislation that would carefully redefine 101 so that it excluded some specific categories of judicial exceptions, but included others. However, none of those attempts were successful, at least because of the inability to find language that excluded from the existing statute some but not all of the judicial exceptions to the statute.

In 2019, Senator Tillis published a "DRAFT OUTLINE FOR SECTION 101 REFORM." I emailed my comments on that draft outline, providing my feedback on each bullet point. See "Comments On the Draft Outline Of Section 101 Reform" Rick Neifeld, April 20, 2019.

One of the bullet points in the "DRAFT OUTLINE" read "Statutorily abrogate judicially created exceptions to patent eligible subject matter in favor of exclusive statutory categories of ineligible subject matter." I specifically commented on this bullet point "Agree."

The reason I agreed, strongly, with this bullet point, is because it resolves the linguistic problem noted above, allowing Congress to write on a clean slate. That is, if all judicial exceptions are abrogated, the statute could be revised merely by defining (1) categories that are patent

eligible and (2) explicit exceptions to those categories. That is, without having to worry how to use language to account for preexisting judicial exceptions.

Another bullet point in the "DRAFT OUTLINE" read "Make clear that eligibility is determined by considering each and every element of the claim as a whole and without regard to considerations properly addressed by 102, 103 and 112." I specifically commented on this bullet point "Agree."

The reason I agreed with this bullet point is that, whether or not something is eligible for a patent should not be confused with tests for patentability (whether the thing claimed is novel, nonobvious, described, enabled, and well defined). For example, if a claim defines a process, it is still a process whether or not it is novel or nonobvious. For another example, if a claim defines a process, whether the process has a written description and is enabled, it is still a process. Finally, if a claimed process is indefinite, then one generally cannot tell what it is, in which case the claim is invalid for lack of definiteness and therefore determining if the claim is patent eligible is moot.

In a subsequent publication, I argued that amending 101 to include the sentence "All judicial exceptions to patent eligibility are abrogated," was a sufficient legislative fix. I concluded there that future developments in case law would fix the other defects in current case law resulting from the "judicial exceptions" law. See "Suggestion for fixing 35 USC 101" Rick Neifeld, May 21, 2022. I reasoned that this fix would "removes the problem, and would allow subsequent case law development to steer a proper path." As I explain below, the ACT goes further than I proposed, but I support its additional provisions because they promote the policy goal of advancing the useful arts.

III. PROVISIONS OF THE ACT

The ACT does abrogate all judicial exceptions. It does so by stating "All judicial exceptions to patent eligibility are eliminated."

The ACT also further constrains judicial discretion in many ways.

First, the ACT constrains the courts to not conflate eligibility with any requirement of novelty, obviousness, written description, enablement, or definiteness. It does so by stating "Sections 102, 103, and 112 of title 35, United States Code, will continue to prescribe the requirements for obtaining a patent, but no such requirement will be used in determining patent eligibility," and also by explicitly limiting how a court shall make eligibility determinations.

The ACT requires a court to make a patent eligibility determination "by considering the claimed invention as a whole and without discounting or disregarding any claim element."

The ACT requires a court to make a patent eligibility determination without regard to "the manner in which the claimed invention was made"

The ACT requires a court to make a patent eligibility determination without regard to "whether a claim element is known, conventional, routine, or naturally occurring."

The ACT requires a court to make a patent eligibility determination without regard to "the state of the applicable art, as of the date on which the claimed invention is invented."

The ACT requires a court to make a patent eligibility determination without regard to "any other consideration in section 102, 103, or 112."

Second the ACT constrains the courts, by precluding creation of new judicial exceptions to patent eligibility. It does so by stating that the eligibility categories of "process, machine,

manufacture, or composition of matter" are "subject only to the exclusions in subsection (b)." The phrase "subject only to" means there can be no other exceptions. That eliminates the possibility of courts creating new judicial exceptions to patent eligibility.

Third, the ACT expressly defines the "process, machine, manufacture, or composition of matter" that are not patent eligible. It does so by expressly stating these exclusions, in the subsection titled "(b) ELIGIBILITY EXCLUSIONS."

The ACT identifies the following these exclusions:

(A) "A mathematical formula" that is not part of a useful process, machine, manufacture, or composition of matter;

(B) "a process that is substantially economic, financial, business, social, cultural, or artistic," unless it "cannot practically be performed without the use of a machine or manufacture."

(C) a process that is a "mental process performed solely in the mind of a human being" or that "occurs in nature wholly independent of, and prior to, any human activity";

(D) "An unmodified [defined as not 'isolated, purified, enriched, or otherwise altered by human activity; or otherwise employed in a useful invention or discovery'] human gene, as that gene exists in the human body."

(E) "An unmodified [defined as not 'isolated, purified, enriched, or otherwise altered by human activity; or otherwise employed in a useful invention or discovery'] natural material, as that material exists in nature."

I note that exclusion "(D)" is within the scope of exclusion "(E)," and therefore arguably surplusage. I surmise exclusion "(D)" is expressly included to avoid all doubt that the ACT legislatively overrules certain judicial decisions that held isolated genes not patent eligible.

Exclusion "(D)" and "(E)" do not exclude natural material, including human genes, that are "isolated, purified, enriched, or otherwise altered by human activity; or otherwise employed in a useful invention or discovery."

Exclusions exclusion "(D)" and "(E)" make patent eligible: material and human genes that are isolated, purified, and enriched versions of the natural material as it exists in nature, including human genes as they exist in the human body.

Exclusions "(D)" and "(E)" make patent eligible: unmodified natural material as it exists in nature, and unmodified human genes as they exist in the human body, that are "otherwise employed in a useful invention or discovery."

Therefore, exclusion "(D)" and "(E)" legislatively overrule the judicial decisions holding purified human gene sequences and uses of discoveries patent ineligible.

IV. WHY I SUPPORT PASSAGE OF THE ACT

The ACT includes language that abrogates all judicial exceptions to patent eligibility. I think abrogating all judicial exceptions to patent eligibility is a necessary condition to statutorily redefining patent eligibility categorically. For that reason alone, I support passage of the ACT.

The ACT includes language that de-conflates patent eligibility from the factors used to determine patentability. For that additional reason, as discussed above, I support passage of the ACT.

The ACT includes language that specifies limited categories of process, machine, manufacture, or composition of matter that are not patent eligible, and preempts courts from

creating new judicial exceptions. For that additional reason, I support passage of the ACT.

The ACT that make patent eligible material that are "isolated, purified, enriched, or otherwise altered by human activity" versions of naturally occurring material (including human genes as the exist in the human body). If the claimed "isolated, purified, enriched, or otherwise altered" material would have been non-obvious, then its disclosure promotes the useful arts, which meets the policy goal of patent protection. For that additional reason, as discussed above, I support passage of the ACT.

The ACT that make patent eligible unmodified natural material as it exists in nature, and unmodified human genes as they exist in the human body, that are "otherwise employed in a useful invention or discovery." If claims to these inventions would have been non-obvious, then their disclosure promotes the useful arts, which meets the policy goal of patent protection. For that additional reason, as discussed above, I support passage of the ACT.

V. CONCLUSION

In conclusion, I think the ACT takes the right approach by first abrogating all judicial exceptions to patent eligibility, and then builds up a revised statutory framework defining patent eligibility categories in a manner that promotes the policy of advancing the useful arts.