

---

# American Bar Association

---

June 5, 2019



STATEMENT of the AMERICAN BAR ASSOCIATION

for the

**SUBCOMMITTEE ON INTELLECTUAL PROPERTY**

—————  
**COMMITTEE ON THE JUDICIARY**

—————  
**UNITED STATES SENATE**

on

**“The State of Patent Eligibility in America: Part II”**

Chairman Tillis, Ranking Member Coons, Members of the Subcommittee,

My name is Scott Partridge, and I am the Immediate Past Chair of the American Bar Association (ABA)'s Section of Intellectual Property Law. I am pleased to submit this statement on behalf of ABA President Robert M. Carlson and our more than 400,000 members around the United States and the world. The Intellectual Property Law Section of the ABA is one of the largest intellectual property organizations in the world and the oldest substantive Section of the ABA. Since 1894, we have advanced the development and improvement of intellectual property laws and their fair and just administration. As the forum for rich perspectives and balanced insight on the full spectrum of intellectual property law, the Section of Intellectual Property Law serves as a highly respected voice within the ABA and the intellectual property profession, before policy makers, and with the public. Thank you for this opportunity to provide these views on the issue of patent subject matter eligibility, which is important for restoring the vitality of the U.S. patent system and ensuring continued innovation in the United States.

The ABA appreciates the efforts that the Chairman and the Ranking Member and their staffs have taken in recently sponsoring roundtables with stakeholders to develop a legislative solution to address the ambiguity, unpredictability and uncertainty posed by the current Supreme Court and Federal Circuit jurisprudence on patent subject matter eligibility. This is an issue of fundamental importance not only to the patent bar but for the public in general, namely, the interpretation of section 101 of the patent statute (35 U.S.C. § 101), which defines the types of inventions and discoveries that are eligible for patent protection and thereby the contours of our innovation ecosystem.

As the Subcommittee knows, at one time the U.S. Supreme Court had established a patent eligibility test that, while imperfect, generally struck a proper balance: preventing the patenting of pure laws of nature, natural phenomena, or abstract ideas themselves, while authorizing the patenting of their practical application in particular fields. The U.S. Supreme Court's earlier precedent required the courts and the U.S. Patent and Trademark Office (USPTO) to assess eligibility of the claimed process as a whole—devoid of considerations of novelty, nonobviousness, written description, and definiteness—in order that they not ignore or discount limitations of a claim to render it patent ineligible. Recent Supreme Court opinions on section 101, however, have injected ambiguity and unpredictability into the eligibility determination by requiring courts and the USPTO to apply criteria such as the existence of an “inventive concept,” and questions such as whether claim elements are “well known,” “routine,” or “conventional.” Such criteria were previously relevant only to substantive questions of patentability like novelty and obviousness under sections 102 and 103. The use of these criteria has enabled judges to ignore limitations in a patent claim by finding one or more limitations individually routine or conventional, and then render that claim ineligible as a matter of law. In effect the courts have

turned the gateway function of patent eligibility into a patentability test better left to the other statutory provisions that specifically address patentability, like sections 102, 103, and 112 of the patent statute. This has discouraged investment in new technologies, thereby risking U.S. leadership in many inventions previously subject to patent protection. In fact, the Federal Circuit has observed that the Supreme Court’s eligibility test must be applied so aggressively as to require lower courts to hold that “groundbreaking, innovative, or even brilliant discoveries” can be excluded from patent protection.<sup>1</sup>

The legislative reform proposed by Senators Tillis and Coons and Representatives Collins, Johnson, and Stivers is a simple and elegant solution to the current unworkable and detrimental state of section 101 jurisprudence. It reaffirms the role of section 101 as the gatekeeper and clearly states that tests of obviousness, novelty, and specificity of the claim should be left to their respective analyses under sections 102, 103, and 112 of the Patent Act. The proposal also properly specifies that the section 101 analysis should be based on the claim as whole and most importantly relies on a new definition of utility that, in effect, re-establishes the principle that the existence of a practical application of the claimed subject matter is a cornerstone to assessing patent subject matter eligibility.

One of the key provisions is the proposal’s admonition to patent examiners, and by extension the courts, that “the provisions of section 101 shall be construed in favor of eligibility.”<sup>2</sup> This reaffirms the principle, articulated in *Diamond v. Chakrabarty*,<sup>3</sup> that Congress has “[chosen]...expansive terms...plainly contemplat[ing] that the patent laws would be given wide scope.”<sup>4</sup> Such a permissive approach to patent eligibility also ensures that Thomas Jefferson’s exhortation that ““ingenuity should receive a liberal encouragement””<sup>5</sup> continues to be followed; the drafter of the country’s first patent law (and an inventor himself) knew that encouraging innovation via a broadly applicable patent law would be a key component of his country’s future.

Having reaffirmed that section 101 is a coarse filter, the draft legislative proposal then makes clear that “the eligibility of a claimed invention under section 101 shall be determined without regard to: the manner in which the claimed invention was made; whether individual limitations of a claim are well known, conventional or routine; the state of the art at the time of the invention; or any other considerations relating to sections 102, 103, or 112 of this title.”<sup>6</sup> This is a welcome correction of the Supreme Court’s conflation of patent eligibility and patentability in

---

<sup>1</sup> *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371 at 1381 (Fed. Cir. 2015) (Linn, J., concurring).

<sup>2</sup> “Sens. Tillis and Coons and Reps. Collins, Johnson, and Stivers Release Draft Bill Text to Reform Section 101 of the Patent Act” (May 22, 2019), <https://www.tillis.senate.gov/2019/5/sens-tillis-and-coons-and-reps-collins-johnson-and-stivers-release-draft-bill-text-to-reform-section-101-of-the-patent-act> (last visited May 29, 2019).

<sup>3</sup> 447 U.S. 303 (1980).

<sup>4</sup> *Id.* at 308.

<sup>5</sup> *Id.* at 308-09 (quoting 5 Writings of Thomas Jefferson 75-76 (H. Washington ed. 1871)).

<sup>6</sup> “Sens. Tillis and Coons and Reps. Collins, Johnson, and Stivers Release Draft Bill Text to Reform Section 101 of the Patent Act.”

the *Alice/Mayo*<sup>7</sup> test. Title 35 provides separate and distinct sections for determining the types of inventions that are (a) patent eligible (§ 101); (b) novel—a condition for patentability (§ 102); (c) non-obvious subject matter—another condition for patentability (§ 103); and (d) required conditions for obtaining a valid patent (§ 112). Each of these requirements is laid out separately and distinctly in the patent law. No section cross-references another section by stating that conditions for the cross-referenced section must also be met in order to meet the conditions of that particular section. Instead, the requirements are described as individual, non-dependent requirements, all of which must be met to obtain a valid patent. The legislative proposal therefore properly establishes the principle that the inquiry into subject matter eligibility for patenting under 35 U.S.C. § 101 is a separate and distinct requirement limited to patent eligibility that should be resolved independently from the conditions of patentability under sections 102 and 103, and from the requirements for obtaining a valid patent under section 112.

The legislative proposal creates a new subsection (b) under 101 that would stipulate clearly that “eligibility under this section shall be determined only while considering the claimed invention as a whole, without discounting or disregarding any claim limitation.”<sup>8</sup> This provision would serve to buttress the underlying presumption in favor of eligibility. Unfortunately, in the wake of the *Alice* and *Mayo* decisions, and the Federal Circuit decisions that attempt to apply *Alice* and *Mayo*, too often courts have eliminated all the existing concrete limitations of a claim in a piecemeal fashion, rather than considering the claimed subject matter as whole, with the ultimate effect being to render the claimed invention ineligible. By clearly including language in the statute that the section 101 analysis must be made based on the claim as a whole, Senators Tillis and Coons are ensuring courts do not ignore limitations in a patent claim and then render the remainder of a patent claim ineligible as a matter of law.

Lastly, the legislative proposal seeks to rein in over-broad interpretations of the Supreme Court-created judicial exceptions to patentability by defining, in section 101(k), that a “useful” invention is “any invention or discovery that provides specific and practical utility in any field of technology through human intervention.”<sup>9</sup> As a matter of policy, the ABA supports the principle that laws of nature, physical phenomena, and abstract ideas standing alone are not eligible for patenting as a process;<sup>10</sup> however, we believe that a process currently meets the requirements of section 101 where the claimed process as a whole is limited to a *specific application* of a law of nature, natural phenomenon, or abstract idea. In adding a definition of “useful” to the list of definitions set forth in section 100, the proposal is codifying the existing utility doctrine and adding to that doctrine the dual concepts of a “field of technology” and “human

---

<sup>7</sup> *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014); *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296-97 (2012).

<sup>8</sup> “Sens. Tillis and Coons and Reps. Collins, Johnson, and Stivers Release Draft Bill Text to Reform Section 101 of the Patent Act.”

<sup>9</sup> “Sens. Tillis and Coons and Reps. Collins, Johnson, and Stivers Release Draft Bill Text to Reform Section 101 of the Patent Act.”

<sup>10</sup> American Bar Association Resolution 101A, adopted Feb. 11, 2013, available at [https://www.americanbar.org/content/dam/aba/uncategorized/GAO/2013\\_hod\\_midyear\\_meeting\\_101a%20\(3\).pdf](https://www.americanbar.org/content/dam/aba/uncategorized/GAO/2013_hod_midyear_meeting_101a%20(3).pdf).

intervention.” The overall effect of that definition is to provide a more certain and predictable test for patent eligibility under section 101 by which practical applications of technology are patent eligible if they fall within the categories of subject matter set forth in section 101. To paraphrase Justice Rehnquist in *Diamond v. Diehr*,<sup>11</sup> as far back as 1939 the Supreme Court explained that “While a scientific truth, or the mathematical expression of it, is not a patentable invention, a novel and useful structure created with the aid of knowledge of scientific truth may be.”<sup>12</sup> The legislative proposal’s definition of “useful” allows for the practical application of the building blocks of science, in the form of natural laws, scientific principles, etc., to be eligible for a patent, while ensuring that those abstract ideas or natural laws in and of themselves are not patent eligible; this is the effect of including the requirements of “practical utility” in a “field of technology” using “human intervention.”

As you have heard from other witnesses, uncertainty and unpredictability about what types of inventions qualify at the most basic level for patenting not only undermines the U.S. patent system but it creates unacceptable risks to investments American entrepreneurs choose to make in innovation. Indeed, because of this uncertainty and unpredictability, the strength of the U.S. patent system and the incentives it is supposed to provide to innovation has been called into question. To regain its strength, our patent system must again be forward-looking, flexible enough to embrace entirely new, unimaginable fields of endeavor, and not restricted to historical conceptions of technology. Just as the new technologies of the past two decades were unknown and unpredictable in the ’70s and ’80s, the technologies of the future are unknown to us today. The uncertainty and unpredictability created by the Supreme Court in the *Mayo* and *Alice* cases, and the application of those decisions by the Federal Circuit, is threatening investment in new technologies, including new medical products and software technology. This raises a significant risk to our country’s continued leadership in innovation in those and many other technologies. Moreover, the Supreme Court’s refusal to review a number of Federal Circuit decisions following *Mayo* and *Alice* underscores that a judicial solution to this problem will not be forthcoming in time to avoid potentially significant, continuing harm to American innovation.

The Supreme Court was correct when it stated in *Gottschalk v. Benson* that the proper scope of coverage of our nation’s patent system is a policy matter for Congress.<sup>13</sup> Legislative reform is needed now to restore predictability to the patent system and to maintain incentives to invest in future cutting-edge technologies and discoveries, and the proposal that has been drafted by Senators Tillis and Coons and Representatives Collins, Johnson, and Stivers provides an important step forward in improving our patent system.

---

<sup>11</sup> *Diamond v. Diehr*, 450 U.S. 175 (1981).

<sup>12</sup> *Id.* at 188, quoting *Mackay Radio & Tel. Co. v. Radio Corp. of Am.*, 306 U. S. 86, 94 (1939).

<sup>13</sup> 409 U.S. 63, 72-73 (1972).

Thank you to the members of this Subcommittee for your attention to this important issue and for considering the testimony of the American Bar Association.