

CHAIR

Donna P. Suchy
Cedar Rapids, IA

CHAIR-ELECT

Scott F. Partridge
Houston, TX

VICE-CHAIR

Mark K. Dickson
San Mateo, CA

SECRETARY

George W. Jordan III
Houston, TX

FINANCIAL OFFICER

Kim R. Jessum
Philadelphia, PA

REVENUE OFFICER

L. Marisia Campbell
Ottawa, ON

CLE OFFICER

Nicole D. Galli
Philadelphia, PA

MEMBERSHIP OFFICER

Thad Chaloehtiarana
Chicago, IL

PUBLICATIONS OFFICER

Barbara J. Grahm
Minneapolis, MN

**SECTION DELEGATES TO
THE HOUSE OF DELEGATES**

Joseph M. Potenza (2017)
Washington, DC

William L. LaFuze (2018)
Houston, TX

Susan B. Montgomery (2019)
Boston, MA

IMMEDIATE PAST CHAIR

Theodore H. Davis Jr.
Atlanta, GA

COUNCIL MEMBERS

Steven P. Caltrider (2017)

Herbert D. Hart III (2017)

Patricia S. Smart (2017)

Mark Whitaker (2017)

Janet Hendrickson (2018)

Nancy M. Lambert (2018)

Susan M. McGahan (2018)

Darrell G. Mottley (2018)

Scott M. Alter (2019)

Janet Fries (2019)

Barbara J. Gislason (2019)

Heath W. Hogle (2019)

Elizabeth Chien-Hale (2020)

Jonathan Hudis (2020)

Sharon A. Israel (2020)

Chris Katopis (2020)

Young Lawyer Council Member

Krystle Brown (2017)

SECTION STAFF

Michael G. Winkler
Director

Carey Farley
Programming/Events

Amy Mandel
Communications/Publications

Thomas L. Stoll
Legislative Consultant
Washington, DC
thomas.stoll@americanbar.org

AMERICAN BAR ASSOCIATION

January 18, 2017

The Honorable Michelle K. Lee
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
P.O. Box 1450
Alexandria, Virginia 22313-1450

via email to: 101Roundtable2@uspto.gov

Re: Request for Comments Related to Patent Subject Matter Eligibility

Dear Director Lee:

I write on behalf of the American Bar Association Section of Intellectual Property Law (“ABA-IPL Section” or “Section”) to respond to the United States Patent and Trademark Office’s invitation for written comments on patent subject matter eligibility in the Federal Register at 81 Fed. Reg. 71485. (PTO-P-2016-0041, October 17, 2016). In particular, these comments are directed to the topics addressed by Roundtable 2 (“Exploring the Legal Contours of Patent Subject Matter Eligibility”).

The American Bar Association is the largest voluntary professional association in the world and the ABA-IPL Section is the largest intellectual property law association with approximately 20,000 members. The views expressed by the ABA-IPL Section have not been approved by the ABA House of Delegates or Board of Governors and should not be considered as the views of the American Bar Association.

The United States patent system is well recognized as providing significant incentives necessary to promote private investment in scientific research and the development of new technologies. For example, without patents, emerging businesses and universities would be at risk with respect to their ability to attract needed investment, and established businesses would risk losing an important mechanism for protecting their investment in new products, particularly when those new products are particularly vulnerable to copyists.

Well over a hundred years ago, the U.S. Supreme Court established a patent eligibility test that was reasonably successful in promoting the development of countless new technologies and scientific achievements. Throughout most of that period, the Supreme Court struck a proper balance between preventing the patenting of pure laws of nature, natural phenomena, or abstract ideas themselves, while authorizing the patenting of their application in particular fields. In general, the courts and the PTO were required to assess eligibility of the claimed process as a whole, to ensure that if the invention involved a law of nature, natural phenomenon, or abstract idea, patent eligibility was available only to a

Section of Intellectual Property Law

321 N. Clark Street
Chicago, IL 60654-7598

(312) 988-6254

FAX: (312) 988-6800

E-mail: iplaw@americanbar.org

www.americanbar.org/iplaw

specific application of that law of nature, natural phenomenon, or abstract idea. In parallel, Supreme Court precedent had established that considerations of novelty, nonobviousness, written description, and definiteness were to be applied only under their respective statutory sections, and not in a subject-matter eligibility determination under 35 U.S.C. § 101. Similarly, the Supreme Court had long held that the eligibility of a patent claim must be assessed when viewing all of the claim limitations as a whole, and that courts and the PTO should not ignore or discount limitations of a claim in order to render it patent ineligible.

Over the last few years, however, the Supreme Court has injected ambiguity into the subject-matter eligibility determination.¹ In particular, the current jurisprudence on patent eligibility under section 101 is confusing, creates uncertainty as to the availability and enforceability of patent assets, arguably risks the incentive to innovate provided by patents in technologies in which U.S. industry has historically led the world, and potentially places the U.S. in a less advantageous position on patent protection than our leading competitor nations. Indeed, the uncertainty that has resulted from recent Supreme Court precedent and its progeny may create the risk that investment by U.S. businesses in certain new technologies will be discouraged by virtue of the Court's interpretation of the definition of what may be patented, as found in 35 U.S.C. § 101. As recently noted by the Federal Circuit itself, that interpretation is potentially so narrow as to require lower courts to hold that "groundbreaking, innovative, or even brilliant discoveries" are to be excluded from patentability.² While the effects of the current interpretation of section 101 are just beginning to be felt in the patent system, a significant risk exists that the courts and the

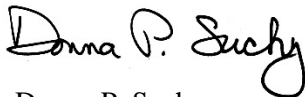
¹ In *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 10, 132 S. Ct. 1289 (2012) ("*Mayo*"), the Supreme Court rewrote the test for determining whether patents impermissibly claim a law of nature, natural phenomena, or abstract idea itself. The rewritten test contains ambiguities and has been inconsistently interpreted and applied by lower courts. For example, the manner in which the Court described what it believes is enough to satisfy its requirements have been measured against criteria traditionally used for novelty and nonobviousness. The *Mayo* court's reasoning evaluates what is enough against criteria such as "pre-existing," "well known in the art," "routine," "well-understood," "routine," "conventional or obvious" (factors that were previously relevant only to novelty and obviousness) in determining that claims were not eligible subject matter under Section 101. *Mayo* considered and rejected the analysis offered by the Solicitor General (an analysis that tracked the law under § 101 that had been understood for decades), that "virtually any step beyond a statement of a law of nature itself should transform an unpatentable law of nature into a potentially patentable application sufficient to satisfy § 101's demands." *Mayo*, 132 S.Ct. at 1303. Subsequently, in *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014) ("*Alice*"), the Supreme Court created uncertainty as to the patent eligibility of software inventions. The effect of these cases and their progeny has created the risk of a dampening of the availability of patent protection in at least the life sciences and computer fields.

² In *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371 (Fed. Cir. 2015), the Federal Circuit agreed with Sequenom that the invention "reflects a significant human contribution...and utilized man-made tools of biotechnology in a way that revolutionized prenatal care." *Id.* at 1379. The court said, "We agree but note that the Supreme Court instructs that '[g]roundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry.'" *Id.* The Federal Circuit said, however, that its hands were tied and that it could not uphold the patent even though the "The Royal Society lauded this discovery as 'a paradigm shift in non-invasive prenatal diagnosis,'" and that the inventors' initial article describing this invention has been cited well over a thousand times. The court held, therefore, that it was compelled to affirm the district court's finding that the claims were patent ineligible under the Supreme Court's decision in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 10, 132 S. Ct. 1289 (2012), that effectively prohibits the patenting of any methods for detecting natural phenomenon, including the existence of fetal DNA in the mother's blood. *Id.* The U.S. Supreme Court denied Sequenom's petition for certiorari.

PTO will reject the patenting of inventions that, consistent with the intent of the Framers of our Constitution, promote the advancement of technology and greatly benefit society.³

In part, the current patent eligibility jurisprudence of the courts is in conflict with existing ABA policy.⁴ The Section believes the current state of the common law interpretation of section 101 has reached the point where further judicial interpretation is unlikely, in the foreseeable future, to rectify the ambiguities and uncertainties created by that jurisprudence. While the Section remains of the view that laws of nature, natural phenomena and abstract ideas standing alone are not proper subject matter for patent protection, the Section believes that legislation clarifying the distinct role for section 101 in limiting patent eligibility to practical uses of processes, machines, manufactures, and compositions of matter is likely necessary. That role should not overlap with the roles of other sections of the statute such as anticipation and obviousness. Accordingly, the Section is in the process of developing policy that would facilitate a revision of section 101 that clarifies what is and is not patent eligible.

Very truly yours,



Donna P. Suchy
Section Chair
American Bar Association
Section of Intellectual Property Law

³ Limitations on the availability of patents, as provided for in Article 1, Section 8, Clause 8 of the U.S. Constitution, must be consistent with the intent of Congress to promote the progress of the useful arts by enacting patent laws to allow the fullest range of patent-eligible subject matter permissible under the Constitution, under criteria that are objective in character and that produce predictable results.

⁴ See, e.g., ABA Resolution 101A (Adopted by the American Bar Association House of Delegates on February 11, 2013), which is set forth below. This resolution conflicts with cases such as *Mayo*, which (among other things) arguably incorporates elements of the conditions of patentability under Sections 102 and 103 (novelty and nonobviousness) into the subject matter eligibility analysis. See *supra* footnote 1.

RESOLVED, That the American Bar Association supports the principle that laws of nature, physical phenomena, and abstract ideas are not eligible for patenting as a process under 35 U.S.C § 101, even if they had been previously unknown or unrecognized;

...

FURTHER RESOLVED, That the American Bar Association supports the principle that the inquiry into subject matter eligibility for patenting under 35 U.S.C. § 101 is a separate and distinct requirement for patent eligibility which should be resolved independently from the conditions of patentability under Sections 102 and 103, and the requirements for obtaining a valid patent under Section 112;

FURTHER RESOLVED, That the American Bar Association opposes application of a patent eligibility test under Section 101 that imports into the patent eligibility analysis the criteria or analysis for determining patentability addressed by Sections 102 and 103, as well as the criteria required for obtaining a valid patent under Section 112.