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The New York Intellectual Property Law Association®

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June 10, 2019

VIA ELECTRONIC MAIL

The Honorable Thom Tillis
Chairman,
Committee on the Judiciary
United States Senate
Washington, DC 20510

The Honorable Christopher A. Coons
Ranking Member,
Committee on the Judiciary
United States Senate
Washington, DC 20510

CC: Committee on the Judiciary
United States Senate
Washington D.C. 20510

RE: **NYIPLA Letter of Support for Proposed 101 Legislation**

Dear Senators Tillis and Coons,

The New York Intellectual Property Law Association (NYIPLA) strongly supports the efforts of Senators Tillis and Coons, and their staff, to correct the recent problems confronting patent eligibility by amending 35 U.S.C. 101. A series of decisions by the Supreme Court starting in 2010 have created substantial uncertainty regarding the standards for patent eligibility under Section 101 that is seriously undermining American patent law and innovation. While more needs to be done, the draft legislation that you and other Congressional leaders are developing is a major step toward unwinding the problems spawned by those four decisions. We thank you for your continued efforts.

The NYIPLA has been actively engaged in the Section 101 patent eligibility debate from the outset. Some of the Association's members have represented parties in the four U.S. Supreme Court cases between 2010 – 2014 that led to the current state of affairs (*Bilski*, *Mayo*, *Myriad*, and *Alice*). Among other things[1], the NYIPLA has participated in discussions with Congress and the U.S. Patent & Trademark Office to address the legal contours of patent-eligible subject matter and proposed legislative changes to Section 101.

**Respected senior judges of the Federal Circuit call for "clarification by…. Congress" for "an incoherent doctrine that has taken on a life of its own"**

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[1] In 2017, the NYIPLA hosted a President's Forum directed to the topic "Section 101 Is Broken. Is There a Legislative Fix?" and convened leaders from the U.S. patent community to discuss possible amendments to Section 101. That forum involved numerous stakeholders in the patent system, including current and retired Federal Judges, the American Bar Association, American Intellectual Property Law Association, Biotechnology Industry Organization, Intellectual Property Owners Association, Boston Patent Law Association, and Congressman Hakeem Jeffries, United States House of Representatives (New York 8th District). The NYIPLA's Section 101 Committee has closely studied the patent-eligibility jurisprudence and assessed the Section 101 patent-eligibility standard as developed by the case law and potential legislative fixes.

In choosing expansive terms to define patent-eligible subject matter under Section 101, "Congress plainly contemplated that the patent laws would be given wide scope."[2]

Patent-eligibility, following the Supreme Court's decisions in *Bilski*, *Mayo*, *Myriad*, and *Alice*, is in a critical state. Judges of the Court of Appeals for the Federal Circuit—the judges who are called on to determine whether district court judges have properly applied the patent laws—bemoan the current state of affairs, and are crying out for help from "higher authority" to clarify the law:

Senior Federal Circuit Judge Alan Lourie, joined by Senior Judge Pauline Newman, has made the following statements on the current state of patent-eligibility:

> [Due to Section 101] an increasing amount of inventive research is no longer subject to patent…we have held as ineligible subject matter even meritorious inventions that 'combined and utilized man-made tools of biotechnology in a way that revolutionized prenatal care.'[3]
>
> [T]he law needs clarification by higher authority, perhaps by Congress, to work its way out of what so many in the innovation field consider are § 101 problems…Section 101 issues…require attention beyond the power of this court.[4]
>
> § 101 requires further authoritative treatment… A claim to a natural process itself should not be patentable, not least because it lacks novelty, but also because natural processes should be available to all. But claims to using such processes should not be barred at the threshold of a patentability analysis by being considered natural laws, as a method that utilizes a natural law is not itself a natural law.[5]
>
> Resolution of patent-eligibility issues requires higher intervention, hopefully with ideas reflective of the best thinking that can be brought to bear on the subject.[6]

Referencing the statements of Judge Lourie above, as well as additional critiques of § 101 by Senior Federal Circuit Judge Richard Linn, Senior Federal Circuit Judge Jay Plager stated his intent:

> to go on record as joining my colleagues who have recently expressed similar views about the current state of our patent eligibility jurisprudence…when two of our leading judges who have devoted their careers to the practice and explication of patent law publicly proclaim that there is a real problem, there is a real problem.[7]
>
> There is almost universal criticism among commentators and academicians that the "abstract idea" idea has created havoc in the patent law. The testimonials in the blogs and elsewhere to the current mess regarding our § 101 jurisprudence have been legion.[8]

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[2] *Smart Systems Innovations, LLC, v. Chicago Transit Authority*, 873 F.3d 1364, 1376 (Fed. Cir. 2017) (Linn, J., dissenting in part and concurring in part), citing *Bilski v. Kappos*, 561 U.S. 593, 601 (2010) and quoting *Diamond v. Chakrabarty*, 447 U.S. 303, 308 (1980).
[3] *Berkheimer v. HP Inc*., 890 F.3d 1369, 1375 (Fed. Cir. 2018) (Lourie, J., joined by Newman, J., concurring).
[4] *Id.* at 1374.
[5] *Id*. at 1376.
[6] *Id*.
[7] *Interval Licensing LLC v. AOL, Inc*., 896 F.3d 1335, 1353 (Fed. Cir. 2018) (Plager, J., concurring-in-part and dissenting-in-part).
[8] *Id*. at 1353-54.

> The legitimate expectations of the innovation community, as well as basic notions of fairness and due process, compel us to address this § 101 conundrum.[9]
>
> In light of the statutory criteria for patent validity established in the Patent Act, there is no need, and indeed no place in today's patent law, for this abstract (and indefinable) doctrine. Something as simple as a declaration by the [Supreme] Court that the concept of "abstract ideas" has proven unworkable in the context of modern technological patenting, and adds nothing to ensuring patent quality that the statutory requirements do not already provide, would remove this distraction from the salutary system of patent issuance and enforcement provided by the Congress in the 1952 Patent Act.[10]
>
> The problem with hoping for this solution is that there is no particular incentive for the Supreme Court to immerse itself again in this intellectual morass. The Court, unlike this court, is not called upon daily to address the consequences of an incoherent doctrine that has taken on a life of its own. It will take a special effort by the judges and the patent bar to gain the Court's attention. Failing that, a legislative fix is a possibility, though waiting for that may be the ultimate test of patience.[11]
>
> The law [on 101] … renders it near impossible to know with any certainty whether [an] invention is or is not patent eligible. Accordingly, I also respectfully dissent from our court's continued application of this incoherent body of doctrine.[12]

These highly-regarded federal judges, who have devoted their lives to interpreting the patent laws of this country, deserve our respect and attention regarding this important matter. Their concerns mirror the state of alarm and uncertainty that many patent practitioners and patent stakeholders are experiencing.

**About NYIPLA**

The New York Intellectual Property Law Association ("NYIPLA") is a professional association comprised of over 1,000 lawyers interested in Intellectual Property law who live or work within the jurisdiction of the United States Court of Appeals for the Second Circuit, and members of the judiciary throughout the United States as ex officio Honorary Members. The Association's mission is to promote the development and administration of intellectual property interests and educate the public and members of the bar on intellectual property issues. Its members work both in private practice and government, and in law firms as well as corporations, and they appear before the federal courts and the United States Patent and Trademark Office ("USPTO").

For additional inquiries:
Please contact the NYIPLA Executive Office at admin@nyipla.org, Peter Thurlow, NYIPLA Immediate Past-President, at pthurlow@Polsinelli.com, or Anthony Lo Cicero, Co-Chair of NYIPLA's Legislative Action Committee at alocicero@arelaw.com.

Sincerely,

Kathleen E. McCarthy, President
New York Intellectual Property Law Association (NYIPLA)

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[9] *Id*. at 1356.
[10] *Id*. at 1353.
[11] *Id*.
[12] *Id*. at 1348.