POSITION STATEMENT

Patent Eligibility and § 101 Litigation

(Approved by the IEEE-USA
Board of Directors, 17 October 2012)

IEEE-USA encourages the federal courts and the administrative review tribunals to review the question of patent eligibility as a pure question of law (de novo review). § 101 of the Patent Act should be construed broadly, to cover old technologies and new. Courts should not read into the patent laws limitations and conditions that the legislature has not expressed. Judicial review should be conducted in a way that is inclusive, liberal, and with a wide scope. Courts and the PTO should only undertake review with full notice and procedural fairness to the parties, including the inventors; sua sponte review should be discouraged.

This statement was developed by the IEEE-USA Intellectual Property Policy Committee, and represents the considered judgment of a group of U.S. IEEE members with expertise in the subject field. IEEE-USA advances the public good, and promotes the careers and public policy interest of 210,000 engineering, computing and technology professionals who are U.S. members of IEEE. The positions taken by IEEE-USA do not necessarily reflect the views of IEEE, or its other organizational units.
BACKGROUND

IEEE-USA supports high quality patentability determinations and examination of patent applications. History illustrates that a broad patent eligibility standard encourages U.S. technological innovation, worldwide competitiveness, increases the public’s storehouse of knowledge, entrepreneurship, job creation, and economic growth. Likewise, it believes that specious patents, or the improper rejection of meritorious patent claim(s), harm worldwide innovation.

Scope of Patent Eligibility: Section 101 of the Patent Act defines patentable subject matter as follows:

"Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new improvement thereof, may obtain a patent thereof, subject to the conditions and requirements of this title." 35 U.S.C. § 101.

The framers of the Patent Act, who drafted and enacted § 101, intended its broad construction. Congress has enacted a limited number of statutory exclusions. IEEE-USA believes that it is difficult to subject the cutting-edge of technological innovation and scientific progress to a static bright-line test, as defined by the legislature. New areas discovered or invented in the future that are not laws of nature, physical phenomena, or abstract ideas—and are not excluded today as patentable subject matter—must be presumed patentable subject matter going forward. But for the incentive of the patent system, they would not be invented as soon, and a heavy burden exists against an “evolving” standard for subject matter exclusions. Hence, Congress must resist enactment of additional statutory exceptions to patentable subject matter. The U.S. Supreme Court has stated that:

“The subject-matter provisions of the patent law have been cast in broad terms to fulfill the constitutional and statutory goal of promoting ‘the progress of science and the useful arts, with all that it means, for the social and economic benefits envisioned by Jefferson. Broad general language is not necessarily ambiguous, when congressional objectives require broad terms . . . Congress plainly contemplated that the patent laws would be given wide scope.” Diamond v. Chakrabarty, 447 U.S. 303, 308 - 315 (1980).

Further, it has “more than once cautioned that courts ‘should not read into the patent laws limitations and conditions which the legislature has not expressed.’” Diehr, 450 U.S. at 182 (quoting Chakrabarty, 447 U.S. at 308).

The Court, however, has articulated three judicial exceptions to the Patent Act’s broad patent-eligibility principles: “laws of nature, physical phenomena and abstract ideas.” (Chakrabarty, 447 U.S. at 309); as well as further defining these categories as mathematical formulas, phenomena of nature, mental processes (Gottschalk v. Benson, 409 U.S. 63, 67 (1972)), and products of nature (Chakrabarty, 447 U.S. at 313) -- (“[T]he relevant distinction for purposes of §
101 is . . . between products of nature . . . and human-made inventions.”). The courts have observed that concepts and ideas are not patentable, but methods employing those concepts and ideas may well be. In *Bilski*, the Supreme Court has recently rejected the existence any definitive test of patent eligibility.

IEEE-USA believes that the best way to ensure quality patentability decisions is, generally, not by challenges to an invention’s patent eligibility (§ 101), but rather concerning other statutory criteria, *inter alia*, novelty (§ 102), non-obviousness (§ 103), and written description (§ 112). While the Supreme Court has noted that significance of these eligibility inquiries may overlap, we encourage that these are independent legal inquiries, which must likewise be independently addressed. For example, using “overly broad” to describe the scope of a claim and conflating it with the subject matter under section 101. The § 101 patent-eligibility inquiry is only a threshold test.

Moreover, the statutory provision that approves the broad categories of subject matter, §101, itself directs primary attention to “the conditions and requirements of [Title 35].” *35 U.S.C. §101.* In refocusing the eligibility inquiry on the statute, the Supreme Court has advised that §101 eligibility should not become a substitute for a patentability analysis related to prior art, adequate disclosure, or the other conditions and requirements of the *Patent Act.* The Supreme Court has cautioned that §101 does not permit a court to reject subject matter categorically, because it finds that a claim is unworthy of a patent. Patent litigation criteria should be as certain and as non-subjective for the parties, whenever possible.

Patent eligibility is not necessarily defeated in the instance where each and every element of a claimed invention is intangible, and/or not tied to a conventional machine, or tangible component. To satisfy patent eligibility, a claimed method or process need not include the material element, such as an apparatus, a computer, or a processor. An intangible claimed process or business method may be patent eligible, if the claims satisfy other necessary criteria. As U.S. Court of Appeals for the Federal Circuit Judge Pauline Newman has observed, the legal distinction between a patent-eligible tangible invention (*e.g.*, possessing a computer or processor), and an intangible inventive process or method, is simply “artificial.”

IEEE-USA believes that downstream R&D and innovation policies should not be conflated with subject matter eligibility. Hence, research tools contribute to innovation, and must continue to be considered patent eligible subject matter. At most, Congress in its wisdom may wish to prescribe certain remedial provisions limited to research purposes on such inventions, but it must not enact R&D policies through §101 exclusions.
**Standard of Review:** The courts have concluded that patent eligibility is a pure question of law. This test has served innovators and entrepreneurs well for decades. IEEE-USA supports this *de novo* standard of judicial review, and would oppose a new court-imposed eligibility standard, such as a mixed question of law and fact. (*Cf.* In *Deere*, the Court concluded that obviousness (§103) is a legal conclusion based on four underlying factual inquiries). Appellate courts review patent eligibility without deference.

**Procedural Considerations:** IEEE-USA encourages a fair due process for patentability determinations. Further, it encourages the reviewing tribunal bodies, including the federal courts and any agency administrative panel, to consider the patent-eligibility question--only after a full briefing by the parties, and a review on the merits. Further, an appellate tribunal must not adjudicate the patent eligibility issues *sua sponte*; rather, these must be remanded to the lower tribunal for a full exploration.

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4 *See Bilski v. Kappos*, 130 S. Ct. at 3225.

5 *Id.* at 130 S. Ct. at 3238 (Stevens, J., concurring).

6 *Arrhythmia Res. Tech. Inc. v. Corazonix Corp.*, 958 F.2d. 1053 (Fed. Cir. 1992) (invalidity for failure to claim statutory subject matter, under 35 U.S.C. § 101, is a question of law that the court reviews, without deference.)