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IP

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## IP: The murky morass plaguing the patent system

A look back to how we've gotten to this point with section 101 of the 1952 Patent Act

Historically, the only role of section 101 of the 1952 Patent Act was to identify the types of subject matter – a “process, machine, manufacture, or composition of matter” – that are eligible for a patent if “the conditions and requirements” of the Patent Act are satisfied. In 1966, the Supreme Court acknowledged that other provisions of the Patent Act (including sections 102 and 103) are the principal tools that Congress provided for drawing a distinction between eligible inventions that are and are not patentable. Years later, the Court acknowledged that Congress intended in section 101 that the patent laws should be given wide scope. And as recently as 2002, the Court acknowledged that section 101 is a dynamic provision designed to encompass new and unforeseen inventions. Yet, despite these acknowledgements, the Court has seemingly ignored section 101's limited role, and recently agreed to decide whether computer-implemented processes are patent-eligible under the Court's interpretation of section 101.

Since 1952, the Court has said that laws of nature, physical phenomena, and abstract ideas are

not patent-eligible under section 101. More recently, the Court has decided a number of cases that turned on its interpretation of these exceptions. Those interpretations resulted in unanimous decisions. But that unanimity led to anything but clarity among those burdened with following the decisions. Indeed, the Court of Appeals for the Federal Circuit, whose judgment in *Alice Corporation v. CLS Bank* is now under review by the Supreme Court, has characterized the section 101 jurisprudence as a “swamp” and a “murky morass.” Other than the party that prevailed below, nobody argued that the Supreme Court should refrain from interpreting its exceptions yet again. With tempered expectations, the Court's forthcoming decision may provide some clarity.

The lack of clarity is not entirely the Court's fault. As a court of (last) appeals, it reviews judgments on the record of the proceedings below and the arguments it is presented. Increasingly, the district courts are deciding patent eligibility under section 101 before even (or *ever*) considering the principal tools Congress provided for determining patentability. And why not? In

furtherance of preserving its limited resources, a court can more readily dispose of a patent infringement suit at the pleading stage or prior to construing any terms of the patent by ruling the patent is invalid under section 101. And emboldened by the murky morass of precedents, accused infringers are all too willing to plead that defense. But, in 2012, the Department of Justice, the Patent Office, and the Federal Circuit all warned the Court against issuing a decision that would sanction such form over the substance codified in other provisions of the Patent Act governing patent validity that are well developed and well understood.

Despite that warning, however, the Court issued a decision in *Mayo Collaborative Services v. Prometheus Laboratories* that a process for optimizing the efficacy of a medical treatment is not eligible for a patent. The Court believed the process was nothing more than the application of a law of nature. In support of its belief and decision and to illustrate the embarrassment in awarding a patent that would (improperly) tie up the future use of a law of nature, the Court offered analogies to Einstein's special

theory of relativity, Newton's law of gravity, and Archimedes' principle of flotation. But the Court failed (as it has before) to comprehend that none of those scientific laws is a "process, machine, manufacture, or composition of matter," satisfying section 101. Further, citing law review articles, the Court dismissed the sage warning, stating that reliance on other statutory provisions would render the Court's prior precedents regarding the judicially-created law-of-nature exception (and other exceptions) a "dead letter." As a result, the Court expanded an increasingly-unnecessary body of jurisprudence on the types of inventions that may be patent ineligible. Worse yet, the Court's decision offered accused infringers and courts a shortcut (albeit a murky one) to resolving many cases without ever evaluating whether an invention has been sufficiently described in the patent, is novel, and non-obvious. The shortcut is a plague.

In the 1840s, Samuel Morse was issued a patent for the use of electromagnetism "however developed" in telegraphy. Ultimately, the Supreme Court declared Morse's patent invalid

because it lacked a description of how to practice the full scope of that invention. Morse's patent could not possibly describe an exclusive right so broad – he had not invented future developments. In modern patent law, this prohibition against so-called preemption is embodied in section 112 of the Patent Act that requires a patent include a description enabling the practice of the patent's full scope. That section (like sections 102 and 103) is well-developed and well understood; section 101 is not. The Court's *Morse* decision is cited or summarily-described in every one of its section 101 cases. However, the enablement aspect underlying the *Morse* Court's concern with preemption recently has been swept away. In its place, section 101 now serves as a threshold patent-eligibility filter and is the fodder on which accused patent infringers frequently feed when attempting to dismiss patent litigation. None of the Court's cases resolved under section 101 involved evaluation of the subject invention for compliance with the statutory enablement, novelty and non-obviousness provisions – yet all of those cases could have been resolved under those provisions, thus

obviating the judicially-created exceptions the Court is forced to interpret yet again.

In its forthcoming decision, the Court has an opportunity to return section 101 to its limited role, to encourage district courts to control litigation, and to demand that litigants address patent invalidity within the statutory confines that Congress authorized and the Court long-ago acknowledged. This would bring a more fair degree of certainty to the interests of patent owners, their competitors, and the public – certainty that would rid us of the murky morass. Further interpreting the judicially-created exceptions, however, will contribute more verbiage to the swamp and feed the plague.

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