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35 U.S.C. § 101 Patent-Eligibility

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Patentable subject-matter
35 U.S.C. § 101

- Currently a topic of great interest.
- Courts are continuously grappling with whether new technologies are patentable.
- "Whoever invents or discovers **any** new and useful process, machine, manufacture, or composition of matter, or **any** new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title." § 101

Patentable subject-matter 35 U.S.C. § 101

- The scope of 35 U.S.C. § 101 is extremely broad:
  - "[A]nything under the sun that is made by man." *Diamond v. Chakrabarty,* 447 U.S. 303, 309 (1980).
- However, the recent trend in the Federal Circuit has been to limit its scope.
  - "A claim reciting an algorithm or abstract idea can state statutory subject matter only if . . it is embodied in, operates on, transforms, or otherwise involves . . . a machine, manufacture, or composition of matter." *In re Comiskey*, 499 F.3d 1365, 1376 (Fed. Cir. 2007).
  - "A transitory, propagating signal . . . cannot be patentable subject matter. " *In re Nuijten*, 500 F.3d 1346, 1357 (Fed. Cir. 2007).

Patentable subject-matter 35 U.S.C. § 101

- Three pending cases could clarify the scope of patentable subject-matter:
  - (1) *In re Bilski*
  - (2) *In re Nuijten*
  - (3) *Classen v. Biogen*

In re Bilski

- Federal Circuit granted rehearing *en banc.*
- Involves a method practiced by a commodity provider for managing (i.e., hedging) the consumption risks associated with a commodity sold at a fixed price.
- The case is awaiting decision, and the Supreme Court has denied granting *certiorari* in *Nuijten*.

In re Bilski - Issues

- What standard should govern in determining whether a process is patent-eligible subject matter under 35 U.S.C. § 101?
- Whether the claimed subject matter is not patent-eligible because it constitutes an abstract idea or mental process; when does a claim that contains both mental and physical steps create patent-eligible subject matter?

In re Bilski – Issues (con't)

- Whether a method or process must result in a physical transformation of an article or be tied to a machine to be patent-eligible subject matter under 35 U.S.C. § 101.
- Whether it is appropriate to reconsider *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368 (Fed. Cir. 1998), and *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352 (Fed. Cir. 1999), in this case, and if so, whether those cases should be overruled in any respect.

In re Nuijten

- A petition for *certiorari* to the Supreme Court was just denied (October 2008).
- Involves a method of embedding supplemental data in a signal.
- Issue:
  - Whether the Federal Circuit erred by adding new requirements to 35 U.S.C. § 101 that patentable manufactures must be tangible articles that are nontransitory and perceivable without special equipment.

In re Nuijten

- The Federal Circuit's restrictive holding (i.e., a coded signal cannot be patentable subject matter) has generated vehement objections from academia and practitioners.
  - "The decision . . . disregards [the] fundamental teachings on patent law and policy." *Amicus* brief of Professor John Fitzgerald Duffy.
  - "The limitations proposed by the Federal Circuit . . . threaten to open a slippery slope of judicial exceptions having unforeseen consequences." *Amicus* brief of AIPLA.

Classen v. Biogen

- Involves a method of determining whether an immunization schedule affects the incidence or severity of a disorder.
- The claims recite the active step of immunizing patients according to a schedule determined to be low risk, but were nevertheless held invalid under 35 U.S.C. § 101:
  - "[T]he . . . patents are an indirect attempt to patent the idea that there is a relationship between vaccine schedules and chronic immune mediated disorders. . . The Court finds they are an attempt to patent an unpatentable natural phenomenon."

Conclusion

- Speculation is mounting on what constitutes patentable subject matter under 35 U.S.C. § 101.
- Because the U.S. Supreme Court denied granting *certiorari* in *In re Nuijten*, the law on patent eligibility under 35 U.S.C. § 101 will be set by *en banc* rehearing of the *Bilski* case.

Thank you.

Any Questions?

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