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Intellectual Property Alert

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Public opinion on patent eligibility law — far from a consensus

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The USPTO sought feedback on the impact of § 101 case law post-*Alice* and *Mayo*, and the public delivered divided responses — What will the report to Congress recommend?

What's the Impact?

- The opinions expressed are far from uniform—trends emerged, but the USPTO is left without a clear map to deliver to Congress
- Businesses and patent owners should pair with trusted advisors to monitor developments on § 101 that could affect their position domestically and globally

In July, the USPTO published a Notice seeking comments on the state of US patent eligibility jurisprudence—i.e., the impact of § 101 case law post *Alice* and *Mayo*—in preparation for a report to Congress. The USPTO sought feedback on the real-world impact of recent trends in patent eligibility jurisprudence on investment and innovation in areas such as quantum computing, artificial intelligence, precision medicine, diagnostic methods, and pharmaceutical treatments. The questions posed sought feedback regarding personal observations and experience with the current jurisprudence, as well as the impact of subject matter eligibility on the United States' domestic economy and global strength in the marketplace.

Over 140 submissions were received[1] from a broad range of commenters including inventors, patent owners, private companies, academic and research institutions, intellectual property organizations, and advocacy groups. While a more comprehensive overview of the comments is underway, it is clear that the public is divided on the issue.

The solicitation of public comments has largely been driven by industry leaders like IBM, which, for example, asserts that the "[c]urrent patent eligibility jurisprudence creates significant uncertainty for businesses that innovate in the field of information technology." IBM argues that this uncertainty has had a negative impact on patent litigation, noting that "[d]ue to the ambiguous nature of the eligibility requirements, most defendants can present a legal argument without the need for any evidentiary support . . . . rais[ing] the costs of litigation." These concerns have been echoed throughout the industry, including members of Congress, federal judges, and even by the former director of the USPTO, Andrei Iancu, who posits that the current state of the law on patentable subject matter "has created a more unpredictable patent landscape that is hurting innovation and, consequently, investment and job creation."[2]

Moreover, the collective comments from professional organizations and associations contend that § 101 jurisprudence is "out of step with the approach of other major patent jurisdictions in the world [and that t]his disparity creates an artificial incentive for global businesses to alter both where they conduct their R&D and where they offer their products for sale." ABA IP Section. For example, commenters in the pharmaceutical industry foresee significant issues with the current state of the law as applied to precision medicine, cell and gene therapies, certain types of biologics, and digital health, noting that these expanding areas of technology may prove difficult to patent under § 101. The commenters note that some of the most important developments in medicine risk losing patent protection because they are deliberately closer to nature or harness natural processes to treat or prevent disease. While these new treatments risk losing patent protection in the US under the current state of the law, the commenters have noted that the EPO, Japan, and China, may provide more protection to innovators and thus could lead to the US falling behind in the global marketplace for innovation.

However, the public opinion is far from uniform. Indeed, numerous industry leaders urge the USPTO to ignore the public outcry to reverse the current state of the law, with Google arguing that *Alice* has acted as a "forcing function" for the filing of better patent applications and the reduction of patents that "do not cover actual technology." Additionally, the commenters observed that after the Supreme Court invalidated patents on naturally occurring DNA in *Association for Molecular Pathology v. Myriad Genetics, Inc.*, innovation in the area of gene discovery and diagnostic treatment has actually ***increased***. According to the Coalition for the Life Sciences, an Advocacy and Public Policy group based in Rockville, Maryland, investment in genomics increased almost three-fold in the five-year period after *Myriad* was decided. With this

[1] See comments: Patent Eligibility Jurisprudence Study (July 9, 2021); Request for Information: Patent Eligibility Jurisprudence Study (September 3, 2021).

[2] Hon. Andrei Iancu, Keynote Address: "Role of U.S. Policy in Domestic Innovation and Potential Impacts on Investment," (April 11, 2018).

increased investment has also come increased competition, which has drastically reduced the cost of genetic testing for BRCA1 and BRCA2 from $3,000 to as low as $249. American College of Pathologists.

With these divided opinions from the public, it seems that there is no clear answer as to what, if anything, the USPTO should advise Congress to do on the state of the law of patent-eligible subject matter. Nixon Peabody LLP will continue to monitor these developments and report back on the future of § 101.

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