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Kathi Vidal
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office
600 Dulany St.
Alexandria, VA 22314

Re: USPTO Patent Eligibility Jurisprudence Study (PTO-P-2022-0026-0001)

Dear Director Vidal:

I am writing to thank the United States Patent and Trademark Office for the opportunity to provide comments regarding the Office’s patent eligibility guidance.

The USPTO is seeking public feedback regarding guidance the Office put in place in 2019. Since then, two notable things happened. First, the Supreme Court ruled in *Henry Schein, Inc. v. Archer & White, Inc.*, saying clearly, “we may not engraft our own exceptions onto the statutory text” because “we are not at liberty to rewrite the statute passed by Congress and signed by the President.” Second, the Supreme Court explained in *West Virginia v. EPA* that the “major questions doctrine” prevents an agency from taking unheralded power over important matters of public policy reserved only for Congress itself absent “clear congressional authorization.” When a major question is involved – such as the major question of what is or is not patent eligible – the Supreme Court said one must “look for clear evidence that the people's representatives in Congress have actually afforded the agency the power it claims.” Congress has not provided the USPTO any authority to find “exceptions” to 35 U.S.C. 101.

Both of these cases post-date *Alice*, both are irreconcilably inconsistent with *Alice*, and both are binding precedent the Office must follow when examining patent application claims.

To date, there is no guidance from the Office that incorporates the important requirements of *Henry Schein* and *West Virginia v. EPA*. Large sections of the MPEP, and patent examination procedures as applied, improperly supplant the sufficiency of 35 U.S.C. 101 and effectively replace it with a court-derived alternate test for patent eligibility. Please consider that this is improper, unconstitutional, and outside the legal authority of the Office after these two new Supreme Court precedents. The USPTO must revise its guidance and practice.

I am writing to share my view that Congress should urgently act to end the uncertainty concerning patent eligibility, making clear that 35 U.S.C. §101 is the sole measure for patent eligibility. These main points are discussed below:

1. **Congress, not the judiciary or the Office, has plenary constitutional authority to define what subject matter is patent eligible. Congress must exercise this power and authority.**
 - a. **The text of 35 U.S.C. §101 contains no exceptions. The “abstract idea” judicial exception to statutory patent eligibility after *Henry Schein* is arguably unconstitutional.**
 - b. **Under the “major questions doctrine,” examining for an “abstract idea” exceeds the authority of the Office under the Patent Act, Section 101, to determine those classes of subject matter that are or are not patent eligible. This is public policy reserved only for Congress.**
2. **Congress must exercise its plenary Constitutional authority to define computer software as patent eligible subject matter.**
3. **The test for that which constitutes an “abstract idea” is not able to be articulated and is therefore vague and indefinite as applied by the Office.**
4. **So-called “judicial exceptions” to statutory patent eligibility increase litigation costs for individual inventors and small companies, dissuade settlement in litigation, and further entrench those engaged in unfair competition.** I describe in detail my experience with Amazon’s anticompetitive conduct and the ways the USPTO seems to aid it.
 - a. **Congress has concluded Amazon, and others, act anti-competitively.**
5. **The Office does not apply Section 101 equally and fairly. This is a violation of the equal protection of law, often done to favor large companies, and diminishes confidence in our IP system and thereby negatively affects national security.** I provide a clear example.
6. **So-called “judicial exceptions” to patent eligibility are improperly applied *ex post facto* to patent applications filed before the *Alice* decision was rendered.**
7. **The USPTO is not part of the judicial branch of the federal government and should not be conjuring so-called “judicial exceptions” to statutory patent eligibility.**
8. **Alleged infringers ubiquitously challenge patent validity, including under 35 U.S.C. §101. Allowing this to continue is bad policy that wastes patent term, clogs the courts, wastes judicial resources, and inhibits innovation. Congress must clarify 35 U.S.C. §101 is the sole standard for determining patent eligibility.**
9. **Legislative fixes to Section 101 can be simple and straightforward.**
 - OPTION 1 – Do not examine for so-called judicial exceptions
 - OPTION 2 – Delete Section 101 entirely
 - OPTION 3 – Amend Section 101 to include clear and narrow exceptions
 - OPTION 4 – Amend Section 101, but avoid ambiguous jargon**The Office and Congress should return to first principles.**

Introduction

My name is Curt Evans, and I own a company called TrackTime, LLC. I have been a patent attorney for over 25 years. I have been involved in over 100 patent infringement trials and hearings, for both plaintiffs and defendants large and small. I am the named inventor on my own patents that I am now asserting against infringers. I wrote my own patent applications and understand patent prosecution and the logistics of patent litigation much better than most and far better than the average inventor. If the patent law system does not work for me, a knowledgeable prosecutor, litigator, litigation consultant, patentee, customer, and advocate, it is not likely to work for any other individual inventor.

I am writing to share my view that Congress should urgently act to end the uncertainty concerning patent eligibility, making clear that 35 U.S.C. §101 is the sole measure for patent eligibility. Uncertainty adversely affects all patent owners, including me, and is bad policy. Current patent eligibility jurisprudence represents a national security risk, putting large swaths of our economy at risk, and Congress should address the problem immediately.

- 1. Congress, not the judiciary or the Office, has plenary constitutional authority to define what subject matter is patent eligible. Congress must exercise this power and authority.**

Congress has defined patent eligible subject matter in 35 U.S.C. §101. The judiciary, on the other hand, has usurped the authority of Congress to determine that which is patent eligible by conjuring “judicial exceptions” to patent eligibility found nowhere in statute. The Office is stuck in the middle, but two Supreme Court cases require examination based only on the statute.

- a. The text of 35 U.S.C. §101 contains no exceptions. The “abstract idea” judicial exception to statutory patent eligibility after *Henry Schein* is arguably unconstitutional.**

So-called “judicial exceptions” to statutory patent eligibility are inconsistent with the way Congress designed the Patent Act. It is neither the proper role of any court, nor the role of the Office in applying the statute, to redesign the Patent Act. After *Alice*, the Supreme Court said clearly, “**we may not engraft our own exceptions onto the statutory text**” because “we are not at liberty to rewrite the statute passed by Congress and signed by the President.” *Henry Schein, Inc. v. Archer & White, Inc.*, 139 S.Ct. 524, 530 (2019). “Congress designed the Act in a

specific way, and it is not our proper role to redesign the statute.” *Id.*, 139 S.Ct. at 530. “We must interpret the Act as written.” *Id.*, 139 S.Ct. at 529. “Congress intended statutory subject matter to include anything under the sun that is made by man.” *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980). Moreover, Congress did away with the “inventive concept” test in the 1952 Patent Act by enacting Section 102 and Section 103, meaning the Patent Act nowhere contains an “inventive concept” requirement, and the Office and any court “must interpret the Act as written.” *Henry Schein*, decided in 2019, is in direct contradiction to *Alice*, decided in 2014, and therefore appears to overrule *Alice*.

The Court’s decision in *Henry Schein* did not say the Patent Act can be treated differently than all other acts of Congress or somehow exclude the Patent Act from its holding. Rather, it is explicitly Congress that has plenary constitutional authority over patent law and it is the statute – the Patent Act – passed by Congress and signed by the President, that governs that which is patent eligible subject matter. U.S. Const. art. I, § 8, cl. 8. Congress authored 35 U.S.C. 101 to contain no exceptions. Congress could include exceptions if it desired, but it has not done so. Patent subject matter eligibility has been debated in Congress and exceptions to the statute have been to date “conspicuously declined.” To date, Congress has left Section 101 alone on purpose.¹ The MPEP contains no mention of *Henry Schein*, and in fact ignores it in MPEP 2104-2106. The Office cannot ignore *Henry Schein*, and thus mis-instructs its examiners to apply “exceptions” to the statute that are nowhere authorized by Congress.

The judicially created “abstract idea” exception to patent subject matter eligibility amounts to “judicial legislation” and thereby operates outside both Article I and Article III. Even if “judicial legislation” was constitutionally authorized, it would still need to meet the due process requirement of the Constitution, which it does not. The Supreme Court has

¹ Even the America Invents Act, Congress’ major change to the Patent Act, states “Nothing in this section shall be construed as amending or interpreting categories of patent-eligible subject matter set forth under section 101 of title 35, United States Code.” AIA, Section 18. Second, Senator Tillis introduced the Patent Eligibility Restoration Act of 2022 with purported exceptions, but such changes to 35 U.S.C. 101 have not passed or become law. Senator Tillis briefed the Supreme Court that “judicial exceptions,” as applied now extra-statutorily, are “gravely damaging our country’s ability to succeed in the race for global innovation leadership...” Brief of United States Senator Thom Tillis, Honorable Paul R. Michel, and Honorable David J. Kappos, <http://www.ipwatchdog.com/wp-content/uploads/2021/03/Tillis-Michel-Kappos-American-Axle-Amicus-Brief.pdf>

unequivocally stated: “the powers of Congress to legislate upon the subject of patents is plenary by the terms of the Constitution ...” *McClurg v. Kingsland*, 42 U.S. (1 How.) 202, 206 (1843). The Patent Clause clearly provides: “The Congress shall have Power ... To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries ...” U.S. CONST. art. I, § 8, cl. 8.

In any new or revised “guidance” by the Office concerning subject matter eligibility, the Office must explain, by detailed legal analysis, (1) why it thinks the Patent Act is somehow excluded from the post-*Alice*, Supreme Court precedent of *Henry Schein*, and (2) where the Office derives authority from Congress to apply exceptions to Section 101. This commenter believes the Office is “not at liberty to rewrite the statute passed by Congress and signed by the President.” Until Congress enacts legislation to change Section 101, the Office’s guidance should reflect that examiners must examine for compliance with only the requirements of the statute itself.

- b. Under the “major questions doctrine,” examining for an “abstract idea” exceeds the authority of the Office under the Patent Act, Section 101, to determine those classes of subject matter that are or are not patent eligible. This is public policy reserved only for Congress.**

The Office must follow all Supreme Court precedent, including *Henry Schein* and *West Virginia v. EPA*, both of which post-date and conflict irreconcilably with *Alice*. If *Henry Schein* had not settled the issue of the constitutional authority of the Office, *West Virginia v. EPA* does. Congress did not grant the Office the authority in the Patent Act to determine what classes of invention are patent eligible and which ones are not. That is an important matter of public policy reserved only for Congress itself.

Section 101 of the Patent Act sets out what subject matter is patent eligible. In one of my pending patent applications, the Office admits the pending claims meet the requirements of 35 U.S.C. 101, stating clearly, “these claims fall within the four statutory categories of invention.” Application No. 16/264,756, Office Action dated 4-19-2022, par. 11. But the Office thinks it must go further, adding its own policy determinations and supplanting the test set out by Congress. This additional, extra-statutory testing for patent eligibility by the Office is not authorized by Congress and is therefore improper under the “major questions doctrine” set out by the Supreme Court in *West Virginia v. EPA*.

35 U.S.C. 101 was enacted in 1952 as part of the Patent Act. The text of the statute provides no exceptions. Congress neither instructed nor authorized the Office to find exceptions. Rather, the Office has taken upon itself authority and “unheralded power” to create, define, and apply its own exceptions, thereby usurping the authority of Congress in establishing the most basic tenet of patent policy: **What subject matter is patent eligible?**

The Office can point to no “clear congressional authorization” for the Office to find and apply exceptions to Section 101, yet the MPEP is replete with instructions to that effect. Congress could not reasonably be understood in 1952 to have granted the Office authority to conjure exceptions to Section 101, with the Office taking unheralded power to determine for the United States what subject matter is eligible for a patent. Defining what subject matter is eligible for a patent is a matter of vast economic and political significance to be determined solely by the people, via their representatives in Congress, not the Office.

This is a classic separation of powers issue. Congress instructed the Office to examine patent applications for compliance with Section 101. If there was patent eligible subject matter found under the statute, the inquiry is over, and the will of Congress has been satisfied, leaving the other sections 102, 103, and 112 for their respective purposes. See Amy Coney Barrett, *Substantive Canons and Faithful Agency*, 90 B.U. L. Rev. 109, 116 (2010) (“[T]he principle of legislative supremacy restrains federal courts from expanding and contracting unambiguous statutes....”); Neil M. Gorsuch, *A Republic, If You Can Keep It*, page 50 (2019, Crown Publishing Group) (“[J]udges should be in the business of declaring what the law *is* ... rather than pronouncing the law as they might wish it to be”) (emphasis in original); *Connecticut National Bank v. Germain*, 503 U.S. 249, 254 (1991) (“When the words of a statute are unambiguous ... judicial inquiry is complete.”) (internal quotation marks omitted).

The judiciary, on the other hand, has created its own, separate test for subject matter eligibility. The Office, then, is stuck in the middle – do they obey Congress or the judiciary? The Supreme Court in *West Virginia v. EPA* provides the answer – the plenary authority of Congress is not delegated to an administrative agency without “clear congressional authorization”. The Office as an administrative agency has only that authority Congress explicitly delegated to it. In attempting to define “exceptions” to the statute, “[T]he agency seeks to resolve for itself the sort of question normally reserved for Congress. As a result, we look for clear evidence that the people's representatives in Congress have actually afforded the

agency the power it claims.” *West Virginia v. EPA*, 597 U.S. ____ (2022)(Gorsuch, J., concurring). Here, the people have provided no such power. The Supreme Court has made clear that the major questions doctrine addresses a particular and recurring problem, namely “agencies asserting highly consequential power beyond what Congress could reasonably be understood to have granted.” *Id.* “When Congress seems slow to solve problems, it may be only natural that those in the Executive Branch might seek to take matters into their own hands. But the Constitution does not authorize agencies to use pen-and-phone regulations as substitutes for laws passed by the people's representatives. In our Republic, “[i]t is the peculiar province of the legislature to prescribe general rules for the government of society.” *Id.*, citing *Fletcher v. Peck*, 6 Cranch 87, 136 (1810). The Supreme Court presumes that Congress intends to make policy decisions itself, not leaving to an agency the very determination of what subject matter is or is not patent eligible. Accordingly, the only “guidance” the Office should provide the examining corps is to follow the statute. The Office cannot “take matters into their own hands” to set policy concerning what is or is not patent eligible subject matter.

All of this is important, because “[T]he Constitution's rule vesting federal legislative power in Congress is ‘vital to the integrity and maintenance of the system of government ordained by the Constitution.’” *West Virginia v. EPA*, 597 U.S. ____ (2022)(Gorsuch, J., concurring), citing *Marshall Field & Co. v. Clark*, 143 U.S. 649, 692 (1892).

Congress has refused to add any exceptions to 35 U.S.C. 101, and the Office can point to no congressionally enacted exception to Section 101. The Office has no “clear congressional authorization” to find and apply exceptions to Section 101, since doing so is a “fundamental revision of the statute” and involves decisions of vast economic and political significance. The Office is bound by the statute and the statute only, particularly after *West Virginia v. EPA*.

To restore this constitutional imbalance, it is incumbent upon Congress to entirely abrogate *Alice* and its progeny. This is urgently needed, especially by independent inventors and small businesses. If Congress intends exceptions to statutory patent eligibility, it can write them explicitly into statute. If not, Congress should make that clear, too, so the judiciary will not again be tempted to create its own patent policy by legislating from the bench.

2. Congress must exercise its plenary Constitutional authority to define computer software as patent eligible subject matter.

Congress should clarify that computer software is patent eligible. Other sections of the Patent Act are already adequate, and necessary, to ensure novelty, non-obviousness, and enablement. These other sections of the Patent Act have a long history and well-developed case law, making interpretation more predictable. In clarifying that computer software is patent eligible (including graphical user interfaces), Congress should not make the mistake of altering 35 U.S.C. §112 to make software difficult to protect with patents.

The United States leads the world in software innovation. Software development is a large and important part of the national economy. Congress should ensure our patent policy reflects our commitment to reward continued software innovation on our shores, protecting intellectual labors of Inventors for limited times as the Constitution provides. Individual inventors need certain, reliable legal protection against large companies, who often engage in abusive and anticompetitive business practices, as detailed below.

3. The test for that which constitutes an “abstract idea” is not able to be articulated and is therefore vague and indefinite as applied by the Office.

Unpredictability in the law concerning patent eligibility is well documented. See, e.g. “Presenting the Evidence for Patent Eligibility Reform: Part I – Consensus from Patent Law Experts,” Honorable Paul R. Michel, Honorable David J. Kappos, et al, <https://www.ipwatchdog.com/2022/10/06/presenting-evidence-patent-eligibility-reform-part-consensus-patent-law-experts/id=151886/>, (cataloging “overwhelming evidence” of uncertainty in patent eligibility law, including evidence from all branches of government and academia); “Presenting the Evidence for Patent Eligibility Reform: Part II – Harm to R&D Investment, Innovation and U.S. Interests,” Honorable Paul R. Michel, Honorable David J. Kappos, et al, <https://www.ipwatchdog.com/2022/10/11/presenting-evidence-patent-eligibility-reform-part-ii-harm-rd-investment-innovation-u-s-interests/id=151960/>; Brief as Amici Curiae of Senator Thom Tillis, Honorable Paul R. Michel, Honorable David J. Kappos, March 1, 2021, in support of a Writ of Certiorari in the case *American Axle & Manufacturing, Inc. v. Neapco Holdings LLC*, https://www.supremecourt.gov/DocketPDF/20/20-891/170498/20210315100432417_20210315-100223-95752944-00000328.pdf (cataloging ways

in which “the disparate and inconsistent application of the Court’s jurisprudence has created an unpredictable and unstable U.S. patent system”). See, e.g., *Interval Licensing LLC v. AOL, Inc.*, 896 F.3d 1335, 1348, 1351-54, 1356 (Fed. Cir. 2018) (Plager, J., concurring in part and dissenting in part) (describing the law of patent eligibility as “incoherent,” a “real problem,” a “conundrum,” and concluding “The law . . . renders it near impossible to know with any certainty whether the invention is or is not patent eligible”). So-called “judicial exceptions” have now swallowed all of patent law, opposite the admonition of the Supreme Court to “tread carefully.”

The Supreme Court recognizes that “[the] requirement of clarity in regulation is essential to the protections provided by the Due Process Clause of the Fifth Amendment[.]” which “requires the invalidation of laws that are impermissibly vague.” *FCC v. Fox Television Stations, Inc.*, 132 S. Ct. 2307, 2317 (2012). Congress has its own constitutional obligation to restore “clarity in regulation” concerning patent eligibility because it is “essential to the protections provided by the Due Process Clause.”

There is no definition for that which is an “abstract idea” and that which is not. There is no definite test for it. There is no definition for “abstract idea” or “substantially more.” The words “abstract idea” are not in 35 USC §101. It is a “judicial exception,” at best applied very rarely and very narrowly. It is by mere judicial fiat that an “abstract idea” is defined and then found or not; it is subject to “erratic implementation” by patent examiners and courts alike where the plain language of 35 USC §101 ought to suffice. There is “no guide to when a claim crosses the boundary between unacceptable abstractness and acceptable specificity”. *Bascom*, 827 F.3d 1341, 1354 (Fed. Cir. 2016) (Newman, concurring). Accordingly, patent applicants are faced with an extra-statutory, tortured, “abstract idea” “test” that is unconstitutionally vague and indefinite, unsupportable by the Office by substantial evidence, and therefore void.

Federal Circuit Judge Sheldon Jay Plager, Judge Richard Linn, and Judge Alan Laurie are all on record agreeing “there is no single, succinct, usable definition anywhere available” to define what constitutes an “abstract idea”. *Interval Licensing LLC v. AOL, Inc.*, 2018 WL 3485608 (Fed. Cir. July 20, 2018)(Concurrence-in part, Dissent-in part, Plager, J.) Therefore, no patent examiner is able to properly apply the undefined “abstract idea” “test” in a way supported by “substantial evidence” as required by the APA. Judge Plager wrote at length in *Interval Licensing* to explain why “The law, as I shall explain, renders it **near impossible to know with**

any certainty whether the invention is or is not patent eligible". He says, the "phrase 'abstract ideas' is a definitional morass" and concludes that "The 'abstract ideas' idea, when used for denying a claimed invention's patent eligibility either before or after a patent is issued, **cannot thus function as a valid rule of law.**" Judge Plager continues, "In the short expanse available in a court opinion (and in the reader's patience), it is not possible for me to recite all the issues and all the problems with the current law of 'abstract ideas' and its 'inventive concept' offspring . . . [W]hen two of our leading judges [Linn and Laurie], 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." Judge Plager says, "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". It is clear that the attempt to follow an undefined, extra-statutory, tortured "test" for an "abstract idea" does not produce coherent, readily understandable, replicable, or demonstrably just outcomes. Judge Plager continues that the "abstract idea" "test" "does not distinguish good from ill in any coherent sense, and thus does not serve well either patent law or the public. . . [T]here is no need, and indeed no place in today's patent law, for this abstract (and indefinable) doctrine . . ." Indeed, as Judge Plager commented, the Emperor wears no clothes.

Judge Plager says it best in *Interval Licensing* – the "abstract idea" "test" is completely **unworkable and cannot function as a valid rule of law.** The Federal Circuit itself is often split on matters regarding 35 U.S.C. §101, with some judges refusing to hear cases *en banc* without further guidance from Congress, noting that "it's in the details that problems and uncertainties have arisen" and that "§101 requires further authoritative treatment" from Congress, lest the Federal Circuit "dig the hole deeper by further complicating the §101 analysis." *Aatrix Software, Inc. v. Green Shades Software, Inc.*, 882 F.3d 1121 (Fed. Cir. 2018) (Judges Laurie and Newman concurring) ("However, I believe the law needs further clarification by higher authority, perhaps by Congress, to work its way out of what so many in the innovation field consider are §101 problems.") Thus, several judges on the Federal Circuit acknowledge that "problems and uncertainties" exist in applying §101 and that the "abstract idea" "test" cannot even be defined.

If the "test" cannot be defined, no patent applicant can show it has been met, nor can any Office Action provide substantial evidence to satisfy its ill-defined factual burden either.

Then-incoming USPTO Director Vidal testified on December 1, 2021, to Congress in a confirmation hearing.² In response to written questions from Senator Tillis, who said “The current state of eligibility jurisprudence is in abysmal shambles,” Ms. Vidal testified to Congress that the “current jurisprudence provides neither clarity nor consistency.”³ Ms. Vidal continued, “In terms of what happened in the prior administration, I know that there were policies set forth, including on 101, on patent eligibility. I think that’s an area that’s always deserving of attention because **the law is not set; every single Federal Circuit judge has said it’s very difficult to understand the contours of the law**, so that is something I would certainly always revisit . . .”⁴ When “the law is not set,” a determination at the Federal Circuit then depends on the identity of the panel, not an objective application of clear law. When all twelve Federal Circuit judges are hopelessly confused and divided (such confusion necessarily present also in a patent examining corps of over 10,000, most of whom are not attorneys), and when even Director Vidal testifies “the law is not set” as relates to patent eligibility, then that law does not meet constitutional muster.

It is not only Director Vidal who recognizes incoherency in the law, but also former Directors, including Andrei Iancu, David Kappos, and Q. Todd Dickenson. For example, Former Director David Kappos testified that “patent eligibility law truly is a mess” with courts and the USPTO “spinning their wheels on decisions that are irreconcilable, incoherent, and against our national interest.” *State of Patent Eligibility, Part I*, at 1–2, <https://bit.ly/34rNIIS>; see also id. (Former Director Q. Todd Dickenson), <https://bit.ly/3ar7sQC>; Dani Kass, *Iancu Resigns As USPTO Director, Urges Eligibility Reform*, Law360.com (January 19, 2021), <https://bit.ly/3CwwbiK>.

Federal Circuit Judge Newman says the court is now acting “contrary to the public's interest in a stable and effective patent incentive.” *Yanbin Yu v. Apple Inc.*, 2021 U.S. App. LEXIS 17434 (Fed. Cir. 2021). Judge Newman articulated the larger problem in her dissent in the *American Axle* petition for rehearing denial:

The court's rulings on patent eligibility have become **so random as to have a serious effect on the innovation incentive of the patent system in all fields of**

² <https://www.judiciary.senate.gov/meetings/11/24/2021/nominations>

³ Vidal Answers to QFRs, Pages 32-33. <https://www.ipwatchdog.com/wp-content/uploads/2021/12/Vidal-Answers-to-QFRs-FINAL.pdf>

⁴ <https://www.ipwatchdog.com/2021/12/01/vidal-agrees-eligibility-needs-clarity-senate-judiciary-committee-questioning-nominees/id=140702/>

technology. The victim is not only the instant inventor of a now-copied improvement in driveshafts for automotive vehicles; the **victims are the national interest in an innovative industrial economy, and the public interest in the fruits of technological advance.**

966 F.3d at 1357 (emphasis added); *see also*, Kevin Madigan & Adam Mossoff, *Turning Gold into Lead: How Patent Eligibility Doctrine Is Undermining U.S. Leadership in Innovation*, 24 *Geo. Mason L. Rev.* 939, 952 (2017).

4. So-called “judicial exceptions” to statutory patent eligibility increase litigation costs for individual inventors and small companies, dissuade settlement in litigation, and further entrench those engaged in unfair competition.

The patent eligibility problem is even worse once an inventor has earned a patent and seeks to enforce it. I own a company called TrackTime, LLC. I have been a patent attorney for over 25 years. I have been involved in over 100 patent infringement trials and hearings, for both plaintiffs and defendants large and small. I am the named inventor on my own patents that I am now asserting against infringers. I wrote my own patent applications and understand patent prosecution and the logistics of patent litigation much better than most and far better than the average inventor. If the patent law system does not work for me, a knowledgeable prosecutor, litigator, litigation consultant patentee, customer, and advocate, it is not likely to work for any other individual inventor.

Amazon is infringing TrackTime’s patents, among others. The patents, filed a decade ago, relate to use of a user interface on a mobile computing device to navigate music using synchronized lyrics and to navigate audiobooks using an associated electronic book. The user can “jump” to a specific part in a song corresponding to a lyric, or to a specific portion of an audiobook corresponding to ebook text, using a gesture. Customers love the feature. Amazon’s infringing products are “Amazon Music,” a streaming music service available to all “Amazon Prime” subscribers and, separately, to over 55 million “Amazon Music Unlimited” subscribers; and “Whispersync for Voice,” an ebook/audiobook combination in the co-functioning Kindle app and Audible app. Amazon has referred to the technology at issue in the patents-in-suit as important, innovative, a “Milestone,” and a “key strategic differentiator” in the market.

TrackTime sued Amazon, and its subsidiary Audible.com, in the District Court for the District of Delaware on October 3, 2018 – 4 years ago. CIVIL ACTION NO. 18-cv-1518 (MN).

Predictably, Amazon filed a Rule 12(b)(6) motion to dismiss, citing 35 U.S.C. §101, a tactic now commonly employed by efficient infringers to shift the burden at the pleading stage and to force a patent owner to “prove” patent eligibility before the affirmative defense has even been raised. This briefing and oral argument had significant cost and imposed substantial delays. Thankfully, the Court granted leave to amend the complaint, since Amazon had omitted and concealed key facts from the court, including statements of fact and law Amazon made to the USPTO in its own patent prosecution stating the claimed technology was not well-known, not routine, and not conventional.

TrackTime filed a 125-page First Amended Complaint (“FAC”), attaching a 28-page expert declaration from a Stanford University professor with user interface expertise, and engaged in another round of briefing on patent eligibility. The FAC explained, in excruciating 50-page detail extremely rare at the pleading stage, why Amazon’s own statements of fact and law made to the USPTO in their own patent prosecution contradicted Amazon’s arguments attempting to invalidate the asserted patents. The burden had been shifted to TrackTime, the patent owner, to “prove” patent validity at the pleading stage, where the statutory presumption of validity should have been sufficient proof that the asserted patents were valid. Defendants have a “clear and convincing evidence” burden to invalidate, yet they are using the legal uncertainty of 101 jurisprudence to shortcut the process, invalidate at the pleading stage, and rob patent owners of their right to trial by jury.

The Court entered Plaintiff TrackTime’s First Amended Complaint on January 8, 2020. Thus, Amazon succeeded in purposely imposing 2 years of delay and added cost for TrackTime. Still, Amazon gets more bites at the apple and will undoubtedly raise the patent eligibility issue yet again before trial via a summary judgment motion and again after trial or on appeal, since there is little incentive, other than doing that which is right, for a trillion dollar monopolist to relent.

Importantly, Amazon knew its argument to the court directly contradicted factual and legal assertions made by Amazon to the USPTO in defense of Amazon’s own patents on the accused products. In other words, when it sues Amazon (e.g., when it helps Amazon obtain its own patents) the technology at issue is valid and groundbreaking, but when Amazon is asked to

pay a reasonable royalty for its use of TrackTime’s patented technology, Amazon argues the technology is invalid and not eligible for patent protection.⁵ Amazon is gaming the system.

a. Congress has concluded Amazon, and others, act anti-competitively.

Amazon’s misuse of 101 jurisprudence is not without context. Amazon’s bad business conduct is not only of concern to TrackTime, but to the public and to Congress. The Office should also take note, not aid large anti-competitive companies. Congress recently investigated Amazon for anticompetitive business practices and issued a report in October, 2020.⁶ Congress recognizes an urgent need to act, protecting the public from Amazon’s continued abuses.

Congress conducted a thorough and comprehensive study of Amazon’s anticompetitive business practices. Congress concluded, “**On many fronts, Amazon makes inconsistent arguments depending on the forum and issue in support of its attempts to escape liability,**” taking whatever position they desire according to the exigency of the moment. Congressional Report, at 281. Worse yet, “During the course of the investigation, Amazon displayed **a lack of candor** to the Subcommittee in response to questions about its business practices” and in bipartisan fashion “the Subcommittee was troubled that some of the ‘statements Amazon made to the Committee about the company’s business practices **appear to be misleading, and possibly false or perjurious,**” causing Amazon’s claims and representations to be viewed “with a degree of skepticism.” *Id.*, at 253.

Amazon’s “lack of candor,” irreconcilably “inconsistent statements,” and misleading conduct now extends to the manner in which Amazon seeks to use patent eligibility in attempt to escape liability for infringing TrackTime’s patents. Other “Big Tech” companies act similarly, merely trying to leverage *any* patent ineligibility argument to further their anti-competitive business conduct.

⁵ Compare TrackTime’s U.S. Pat. Nos. 8,856,638 and 11,017,488 to Amazon’s U.S. Pat. No. 9,176,658; FAC ¶¶180-195 (D.I. 35).

⁶ “Investigation of Competition in Digital Markets, Majority Staff Report and Recommendations, House Subcommittee on Antitrust, Commercial and Administrative Law of the Committee of the Judiciary,” October 6, 2020, (hereafter “**Congressional Report**”) <https://judiciary.house.gov/issues/issue/?IssueID=14921>; https://judiciary.house.gov/uploadedfiles/competition_in_digital_markets.pdf

Congress also made conclusions concerning Amazon’s bullying and misuse of market power. Amazon is huge – a monopolist with durable market size and power, focused on long-term growth in anticompetitive ways, also the subject of an antitrust lawsuit brought by the District of Columbia.⁷ Congress concluded Amazon demonstrates “**a dangerous pattern of predatory conduct** that, if left unchecked, risk[s] further concentrating wealth and power.” Congressional Report, at p. 377. When questioned about bullying, anticompetitive conduct, “employing strong-arm tactics in negotiations,” exploiting “the asymmetry in power,” and showing a “willingness to leverage its market power to . . . enhance its dominance in e-book distribution,” CEO Jeff Bezos gave Congress “answers [that] were often evasive and non-responsive, raising fresh questions about whether they believe they are beyond the reach of democratic oversight.” *Id.*, p. 6, 268.

Amazon does not worry about infringing patents, an inconsequential speed-bump in the “race to capture ecosystems and control interlocking products that funnel data back to the platforms, further reinforcing their dominance.” *Id.*, at p. 378. Amazon’s superior bargaining power is “routinely use[d] to protect and expand their dominance.” *Id.*, at p. 389. “Without the opportunity to compete fairly, businesses and entrepreneurs are dissuaded from investing and, over the long term, innovation suffers.” *Id.*, at p. 381. This is at odds with the desire of Congress “to ensure fair competition and to promote innovation online,” objectives the reader should share. *Id.*

On a bi-partisan basis Congress itself found it difficult, if not impossible, to get these companies to behave responsibly. The House Judiciary Committee, by letter dated March 9, 2022, criminally referred Amazon to the DOJ for its “repeated misrepresentations,” lack of candor, refusal to turn over business documents “to conceal the truth,” engaging in a “pattern of obfuscation,” withholding “material information,” and making “false and misleading statements.” The letter concludes “**Amazon repeatedly endeavored to thwart the Committee’s efforts to uncover the truth about Amazon’s business practices.**” See, https://judiciary.house.gov/uploadedfiles/hjc_referral_--_amazon.pdf.

⁷ The District of Columbia sued Amazon May 25, 2021, for antitrust violations. Prime Music is offered to customers of Amazon Prime as one way to “further bind customers to Amazon” via network effects and to misuse monopolistic market share to create a barrier to entry. Amazon is even willing to sustain loses on Prime “in exchange for acquiring substantial market power in the online retail sales market.” <https://oag.dc.gov/sites/default/files/2021-05/Amazon-Complaint-.pdf>

Having in mind the type of conduct experienced by Congress itself, Congress needs to be aware that individual inventors, small companies, and micro-entities are simply treated with disdain by these companies, who have absolutely no fear of being found to have infringed their patents. Congress needs to act immediately to protect patent owners from continued abusive business practices by these anti-competitive companies.

Amazon's anti-competitive business conduct must stop. Amazon will say virtually anything to avoid liability. For TrackTime, the patent eligibility issue is just one additional way Amazon will attempt to abuse its power. Patent eligibility arguments are Amazon's new tool in its "dangerous pattern of predatory conduct."

Congress should act immediately to clarify 35 U.S.C. §101 to ensure continued confusion by the courts cannot be used by Big Tech companies to further harm small businesses, individual inventors, and those fairly availing themselves of the patent law system. The Office should help convince Congress of the urgency and necessity of legislative action.

5. The Office does not apply Section 101 equally and fairly. This is a violation of the equal protection of law, often done to favor large companies, and diminishes confidence in our IP system and thereby negatively affects national security.

The Office cannot properly apply one legal standard for Amazon and a different one to an individual inventor, but that is what happens. For example, I filed Application No. 16/264,756. My claim language had clear priority and mirrored the claims of Amazon's U.S. Patent 9,977,584. This claim language was already found by the Office to meet the requirements of 35 U.S.C. 101, and Amazon's U.S. Patent 9,977,584 is presumed to be valid under 35 U.S.C 282. This presumption of validity applies to patent eligibility. The Office cannot tell the public that Amazon's U.S. Patent 9,977,584 (issued on May 22, 2018, post-*Alice*,) is directed to patent eligible subject matter under 35 U.S.C. 101, and entitled to a presumption of validity under 35 U.S.C 282, while simultaneously **rejecting the exact same independent claims** of my Application No. 16/264,756 directed to the same patent eligible subject matter. The subject matter is substantially identical between Amazon's U.S. Patent 9,977,584 and the presently pending claims of Application No. 16/264,756. Disparate treatment of this claimed subject matter is a violation of the constitutional guarantee of the equal protection of law.

Even Commissioner Vidal admits that Section 101 is not being applied fairly. For example, Commissioner Vidal spoke on May 25, 2022, at a USPTO “Listening Session” in San Jose, CA, saying, “Certainly it's very important for our system to **get back to first principles that the law be clear** and, um, and **applied fairly**. And I think **within the 101, you know, with subject matter eligibility that's not the case. I'll just leave it at that.**” She continued, “Certainly ways that we can impart more clarity into 101 are either with the Supreme Court, through legislation, and even with the USPTO’s own guidance on this. So, I’m all in favor of the USPTO providing guidance wherever we can **so that different patent examiners are applying the same standards across the board and so that the laws are clear. . .**” See, <https://youtu.be/4hufrQQCy98?t=2025> , “Kathi Vidal Listening Session in San Jose, CA”, May 25, 2022. Following first principles in my Application No. 16/264,756 – that the law be clear and applied fairly by different examiners across the board – means that these claims must be found patent eligible, just as they were when Amazon was the patent applicant **with the same claims** and was awarded Amazon’s U.S. Patent 9,977,584.

There couldn’t be a clearer case showing that the Office does not apply the “abstract idea” test in a way that complies with equal protection of law. Denying equal protection of law stacks the patent system against certain inventors like me in favor of large, politically influential companies known to act in anticompetitive ways. Then-incoming Director Vidal had a confirmation hearing and was asked in writing by Senator Blackburn about the Office ““stacking the intellectual property system against inventors’ and favoring powerful companies over smaller creators.” Ms. Vidal testified, in writing,

We need to promote innovation across industry sectors and constituents -- from individual inventors and start-ups to SMEs (Small and Medium-Sized Enterprises) to large entities. It is not just the right and fair thing to do, it is in the best interest of our country and our biggest opportunity to increase GDP and create jobs. To the extent there is **concern the USPTO and the patent system are stacked to favor large companies and against small inventors, that can diminish confidence in our IP system and can impact innovation and investment in the same. It needs to be investigated.**

Ms. Vidal testified to the need “to level the playing field and broadly promote innovation.” To instill confidence in our IP system, to prevent the appearance that examination is “stacked” against individual inventors, and to ensure equal protection of law, the Office should explain, for example how claims submitted by Amazon can be allowed but the **same claims**

when submitted by me (and with an earlier priority date), an individual inventor, can garner a 101 rejection. It appears the Office: (1) inappropriately favors Big Tech companies like Amazon, though they are known by Congress to behave in anti-competitive ways, and (2) applies section 101 disparately when the applicant is an individual inventor. At the very least, any new “guidance” must require the same claims be treated equally under the law.

6. So-called “judicial exceptions” to patent eligibility are improperly applied *ex post facto* to patent applications filed before the *Alice* decision was rendered.

Alice was decided June 19, 2014. Many patent applications having a priority date before June 19, 2014 have now issued and are being alleged to be directed to patent ineligible “abstract ideas” under the *Alice* judicial exception. Even if the *Alice* two-step “test” was crystal-clear when the *Alice* decision was rendered, there is no way a patent applicant prior to that date could have amended the specification and claims in a manner certain to comply with the Supreme Court’s new “test.” (Even years later, the “test” for patent eligibility is nowhere near “certain,” and Director Vidal admits in sworn testimony that to this day “the law is not set”.) Moreover, “new” categories of non-eligible “abstract ideas” are being conjured by the judiciary on a rolling basis, with each one having the possibility of retroactively swallowing an applicant’s claim scope. The snowball of “abstract ideas” keeps growing daily, meaning the law changes daily and is by definition an impermissible, moving legal standard applied retroactively. Patent claims, however, are fixed in time. *Alice*, therefore, is an *ex post facto* law, impermissibly retroactively changing the scope of the patent bargain.

No so-called “abstract idea judicial exception” to patent eligibility should be applied to reject any patent claim having a priority date before June 19, 2014, or to invalidate any issued patent having a priority date before June 19, 2014.

7. The USPTO is not part of the judicial branch of the federal government and should not be conjuring so-called “judicial exceptions” to statutory patent eligibility.

So-called “judicial exceptions” to patent eligibility are determinations *by a court* that the claims are directed to an “abstract idea” and are not directed to “significantly more.” Because there exists “no guide to when a claim crosses the boundary between unacceptable abstractness and acceptable specificity,” no patent examiner can be reasonably expected to correctly apply the

“test”. If Federal Circuit judges admit to there being “erratic implementation” of an “incoherent doctrine,” then patent examiners can apply the doctrine no better. Patent examiners are not trained to analyze legal cases to compare one case to another the same way the courts are, nor are they trained to compare claim sets spanning multiple art units. That is not their expertise.

When the USPTO issues formal guidance concerning so-called “judicial exceptions” to statutory patent eligibility, the Federal Circuit says the judiciary can simply ignore the guidance. The USPTO should, therefore, only determine whether a claimed invention is patent eligible under the statute itself. If the judiciary disagrees, the judiciary can so opine. (But, as is the main point here, Congress should clarify it intends no judicial exceptions.)

The MPEP can and should be amended to provide examiners a rationale for a determination of patent eligibility under 35 U.S.C. §101 that fully comports with the Supreme Court’s admonition in *Alice* to “tread carefully,” an integral part of *Alice* that is too often overlooked. Specifically, the MPEP should be amended to include suggested language for the examiner:

Section 101 of the Patent Act provides that anyone who “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. 35 U.S.C. §101, with “Process” being defined in 35 U.S.C §100(b). The language of Section 101 is well-recognized as providing a wide and permissive scope for patent eligibility. *Bilski v. Kappos*, 561 U.S. 593, 601 (2010) (quoting *Diamond v. Chakrabarty*, 447 U.S. 303, 308 (1980)) (“In choosing such expansive terms . . . modified by the comprehensive ‘any,’ Congress plainly contemplated that the patent laws would be given wide scope.”). The claimed invention meets the plain requirements of 35 U.S.C. §101. The claimed subject matter does not fall within any judicial exception to patent eligibility, and **there exists no substantial evidence to show 1) the claims are directed to any abstract idea or 2) that there is not “something more” than an abstract idea claimed.** The claimed subject matter is directed to one or more of the following:

- (1) a new and useful Process, meaning a process, art or method, and including a new use of a known process, a new use of a known machine, a new use of a known manufacture, a new use of a known composition of matter, or a new use of a known material,
- (2) a new and useful machine,
- (3) a new and useful manufacture,
- (4) a new and useful composition of matter,
- (5) any new and useful improvement to a Process,
- (6) any new and useful improvement to a machine,
- (7) any new and useful improvement to a manufacture, or
- (8) any new and useful improvement to a composition of matter.

Moreover, the determination of patent eligibility under 35 USC §101, specifically that the claims are directed to the judicial exception of an “abstract idea,” is also often made by the USPTO apart from the requirements of the Administrative Procedure Act.

First, the USPTO is subject to the same Administrative Procedure Act obligations as any other agency, and therefore cannot make factual findings without “substantial evidence” to meet its preponderance of evidence burden. Office Actions are often deficient and lacking “substantial evidence” to meet the Office’s preponderance of evidence burden to support a prima facie case of patent ineligibility, especially concerning the *Alice* step two analysis.

Second, there’s no carve-out in the APA for factual findings underlying §101 subject matter eligibility rejections. The Supreme Court and Federal Circuit have made clear that the APA governs the USPTO just like any other agency, and “[a]n abuse of discretion occurs where the decision is based on ... factual findings that are not supported by substantial evidence.” *Star Fruits S.N.C. v. U.S.*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); see *Dickinson v. Zurko*, 527 U.S. 150, 152 (1999); *In re Gartside*, 203 F.3d 1305, 1313 (Fed. Cir. 2000). There can be no “substantial evidence” offered in an Office Action to show the claims are directed to an “abstract idea,” especially since there is no articulable test for what constitutes an “abstract idea” and what doesn’t. There is often no “substantial evidence” offered to show, for each claim considered as a whole, that the claimed subject matter was well-understood, routine, and conventional in the pertinent industry. There is often no “substantial evidence” offered to show the claimed subject matter as a whole is fundamental, long-standing, long-prevalent, or a building block of human ingenuity. There is often no “substantial evidence” offered to show the claims preempt all use of an abstract idea.

The USPTO should not run afoul of the Administrative Procedure Act in order to conjure its own “judicial exceptions.”

- 8. Alleged infringers ubiquitously challenge patent validity, including under 35 U.S.C. §101. Allowing this to continue is bad policy that wastes patent term, clogs the courts, wastes judicial resources, and inhibits innovation. Congress must clarify 35 U.S.C. §101 is the sole standard for determining patent eligibility.**

Patent policy should favor certainty and predictability, leading free-market participants to engage in free-market licensing transactions where patents are concerned. An alleged infringer should be incentivized to pay a reasonable royalty to license a patent, rather than to pay patent

attorneys to attempt to invalidate the asserted patent in nearly every case. Asserting invalidity has become an endemic problem, where nearly 100% of patent infringement litigants allege the asserted patent is invalid. Allowing this to continue is bad patent policy.

9. Legislative fixes to Section 101 can be simple and straightforward.

Per the Constitution, Congress must set patent policy, not the Office. The Office can, however, advise Congress on how it can amend Section 101 for clarity, if Congress chooses. There are several ways the Office can advise Congress:

OPTION 1 – Do not examine for so-called judicial exceptions

Advise Congress the USPTO will no longer be examining patent claims for so-called “judicial exceptions” to subject matter eligibility under 35 U.S.C. 101 because there exists no “clear congressional authority” to do so, as required by the Supreme Court in both *Henry Schein* and *West Virginia v. EPA*.

Advise Congress that examination for so-called “judicial exceptions” has become entirely unworkable, making such extra-statutory examination unconstitutional as applied, with the test being void for vagueness, violative of separation of powers, outside any “clear congressional authority,” and failing to comply with due process and equal protection requirements of the Constitution. Advise Congress: 1) ***only*** Congress can set patent policy, 2) the judiciary does not have plenary authority over patent policy (and thereby cannot direct the Office on examination of patent claims), and 3) the Office does not have plenary authority over patent policy and cannot create guidelines for examination without “clear congressional authority.”

Advise Congress that, though the USPTO will not be examining for “judicial exceptions” any longer, the courts still might invalidate patents using court-created “exceptions” to Section 101, even though doing so is extra-statutory and usurps Congress’ plenary authority to set patent policy. Advise Congress that this course of action will still leave patent owners with a less than desirable level of certainty concerning the validity of their patents, which undermines public confidence in the patent system and adversely affects national security.

OPTION 2 – Delete Section 101 entirely

Advise Congress to delete the entirety of Section 101, and state that doing so is for the purpose of entirely abrogating *Alice* and its progeny. This will eliminate rejections by the USPTO based on subject matter eligibility and allow Sections 102, 103, and 112 to work properly and as designed. This will reduce examiner workload since an unworkable 101 test, with inarticulable evidentiary requirements, will be removed, providing more time for examiners to devote to world-class prior art searching. This will also reduce workload for the district courts and the Federal Circuit and restore some modicum of predictability for patent owners.

Advise Congress the USPTO will no longer be examining patent claims for so-called “judicial exceptions” to subject matter eligibility under 35 U.S.C. 101 because there exists no “clear congressional authority” to do so, as required by the Supreme Court in both *Henry Schein* and *West Virginia v. EPA*.

OPTION 3 – Amend Section 101 to include clear and narrow exceptions

Advise Congress, and Senators Tillis and Coons in particular, that the proposed “Patent Eligibility Restoration Act of 2022” (S.4734) has been criticized⁸, that it contains ambiguous language, and that the Office would have difficulty examining claims based on such ambiguous terms.

Advise Congress that until and unless section 101 is amended, there exists no “clear congressional authority” to examine for anything other than compliance with only the text of existing section 101.

Instead of confusing language, urge support of the clearer language of HR 5874, Restoring America’s Leadership in Innovation Act, Section 7, which reads:

§ 101. Inventions patentable

“(a) In general.—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.

“(b) Exception.—A claimed invention is ineligible patent subject matter under subsection (a) if the claimed invention as a whole, as understood by a person having ordinary skill in the art,

⁸ <https://patentlyo.com/patent/2022/08/reviewing-eligibility-restoration.html>;
<https://www.ipwatchdog.com/2022/09/09/senator-tillis-heres-answer-section-101/id=151307/>

exists in nature independently of and prior to any human activity, or exists solely in the human mind.

“(c) Eligibility standard.—The eligibility of a claimed invention under subsections (a) and (b) shall be determined without regard as to the requirements or conditions of sections 102, 103, and 112 of this title, or the claimed invention’s inventive concept.”.

(b) Sense of Congress.—It is the sense of Congress that—

(1) the Supreme Court’s recent jurisprudence concerning subject matter patentability has harmed the progress of science and the useful arts;

(2) the United States patent system must protect and encourage research and development in such scientific disciplines as would promote the progress of science and the useful arts by securing for limited times to inventors the exclusive rights to their discoveries and provide scientists in the life sciences, computer sciences, and other disciplines, with certainty that their discoveries and inventions are entitled to patent protection; and

(3) this amendment effectively abrogates *Alice Corp. v. CLS Bank International*, 573 U.S. 208 (2014), *Bilski v. Kappos*, 561 U.S. 593 (2010), *Association for Molecular Pathology v. Myriad Genetics*, 569 U.S. 576 (2013), *Mayo Collaborative Services v. Prometheus Laboratories*, 566 U.S. 66 (2012), and its predecessors to ensure that life sciences discoveries, computer software, and similar inventions and discoveries are patentable, and that those patents are enforceable.

OPTION 4: Amend Section 101, but avoid ambiguous jargon

One commentator has proposed a reasonable set of amendments, which avoid unconstitutionally ambiguous jargon.⁹ The Office could recommend to Congress the following:

“Section 101. Patent eligibility

~~Whoever~~ Without exception, any human who invents or discovers any new human-made and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject solely to the conditions and requirements of this title.

Comments: *The terms “[w]ithout exception” and “solely” are added to Section 101: (i) to clarify the court-made exceptions to patent eligibility are abrogated and (ii) to ensure that the neither the courts nor the USPTO determine apart from Congress what kind of subject matter is patent eligible. The terms “human” and “human-made” are added to Section 101 to clarify that only human-made inventions are patent eligible and only humans can be inventors.*

⁹ See, <https://www.ipwatchdog.com/2022/09/01/eliminating-the-jargon-an-alternative-proposal-for-section-101-reform/id=151199/>

Section 102 – Conditions for patentability; novelty

(e) Nature Effective as Prior Art.—For purposes of determining novelty of a claimed invention under subsection (a)(1), a natural process or natural material shall be deemed to have been in public use before the effective filing date of the claimed invention.

Comments: *Subsection (e) effectively prevents an unmodified natural material or natural process from being patented.*

Section 271 – Infringement of patent

(e)(7) It shall not be an act of infringement for a human being —

(A) to perform a human mental activity,

(B) to perform a human physical activity, or

(C) to possess a human gene.

Comments: *Subsection (e)(7) effectively prevents ‘being human’ as being the basis for patent infringement. If a claim element could be interpreted as encompassing both human activity and non-human activity (e.g., a computer), the human activity would not cause infringement of the claim element whereas the computer activity would cause infringement of the claim element. Also, a presence of a human gene within a human cannot be the basis for infringement.*

Section 282 – Presumption of validity; defenses

(b) Defenses.—The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

(1) Noninfringement, absence of liability for infringement or unenforceability.

(2) Invalidity of the patent or any claim in suit on any ground specified in part II as a condition for patentability, except that section 101 is not a condition for patentability and failure to meet any requirement of section 101 shall not be a basis on which any claim of a patent may be canceled or held invalid or otherwise unenforceable including unenforceable under subsection (b)(1).

(3) Invalidity of the patent or any claim in suit for failure to comply with—

(A) any requirement of section 112, except that the failure to disclose the best mode shall not be a basis on which any claim of a patent may be canceled or held invalid or otherwise unenforceable; or

(B) any requirement of section 251.

(4) Any other fact or act made a defense by this title.

Comments: The changes to subsection (b)(1) effectively prevent the courts from invalidating patents under Section 101. As originally drafted in 1951, Section 101 was not labeled a “condition for patentability” and therefore was not intended to be a defense to patent infringement. These changes will allow courts to focus on whether a patent is invalid because of prior art. It is not the role of the judiciary to make policy decisions as to what technology should or should not be patent eligible. The Constitution provides Congress with plenary authority concerning patent policy, including determining the public policy for subject matter that is patent eligible.”

The Office and Congress should return to first principles.

Lastly, the Office should recommend that Congress return to first principles and explicitly find the following:

“(1) Article 1, Section 8 of the United States Constitution vests in Congress the plenary authority to secure the “exclusive Right” to Inventors to their Discoveries for limited times, this “exclusive Right” being a property right – not a franchise or a public franchise – in order to foster continued innovation in the United States;

(2) Innovation and intellectual property are essential to the national security of the United States and, in order to maintain leadership in the global economy, Congress intends to enact strong and fair intellectual property laws, encouraging innovation by individuals and small businesses and continued democratization of inventorship;

(3) Innovation is intended not for its own sake, but for others to use the inventions and discoveries of Inventors and to create further scientific, technological, and economic discovery and improvements. This furthers the progress of science and the useful arts. Innovation is best nurtured through a strong legal framework that protects ownership of intellectual property, as property. American innovation shall remain democratized, with meaningful legal protections being available and accessible to all Inventors, not only those financially best situated to afford it. American innovation (i) has advanced the art of medicine and technologies for health and wellbeing, (ii) has enhanced the standard of living for all people in the United States and those around the world, and (iii) has generally improved the agricultural, telecommunications, software, biotechnical, educational, pharmaceutical, and electronics industries, among many others;

(4) An issued United States patent carries a strong presumption of validity, rebuttable in any forum only by a “clear and convincing evidence” burden by the patent challenger, however, those charged with patent infringement routinely raise tardy, meritless, serial, unsuccessful, and unnecessarily burdensome challenges to one or more claims of a valid patent, diminishing the Inventor’s “exclusive Right” and the goodwill that ought to be afforded every Inventor and patent owner;

(5) The routine and near ubiquitous assertion of patent invalidity as a defense to patent infringement has created, and continues to create, substantial institutional burdens upon those government institutions charged with administering the patent laws, including the United States Patent and Trademark Office, the Courts, the International Trade Commission, and others, for example:

(i) by errantly calling into disrepute the ability of the United States Patent and Trademark Office to reliably and consistently examine patent applications before they are issued as patents to ensure an invention claimed in a patent application meets all statutory criteria for patentability,

(ii) by forcing upon the judiciary the necessity to adjudicate patent validity, where the judiciary, not Congress, has errantly taken upon itself the formulation of public policy to determine that which is patent eligible subject matter, specifically by the judiciary defining and applying so-called “judicial exceptions” to patent eligibility, despite the intent of Congress that 35 U.S.C. §101 and the use of the word “any” be read broadly, and

(iii) by forcing upon the judiciary the difficult task of determining a reasonable royalty to compensate a patent owner for patent infringement, such process assuming incorrectly the federal government can better determine a reasonable royalty, and achieve payment thereof, than can the free market acting as though a patent is valid when issued and entitled to a strong and meaningful presumption of validity;

(6) The adjudication of patent infringement cases must be timely and cost-effective, particularly since a patent’s limited term is always waning. The routine assertion of patent invalidity (including for even the threshold question of whether the subject matter claimed is patent eligible) as a defense to patent infringement has also created a substantial burden on any patent owner seeking timely and cost-effective adjudication of alleged patent infringements. A patent owner must be able to quickly, inexpensively, and reliably exercise his “exclusive Right,” given the strong presumption that an issued patent is valid after having been competently, thoroughly, and professionally examined by the Office;

(7) To continue to encourage innovation and disclosure and use of innovative Discoveries, voluntary commercial transactions between patent owner and those desiring to practice patented inventions are preferable to ongoing government intervention and are beneficial to sustaining the United States as the preferred venue for innovation and related investment. It is the intent of Congress to encourage patent licensing, assignments, capital investments, joint ventures, mergers, acquisitions, and other voluntary commercial agreements over lawsuits and administrative agency actions to determine issues of patent validity and infringement;

(8) The Supreme Court in *Oil States Energy Services, LLC v. Greene’s Energy Group, LLC* has misconstrued an issued United States patent as a particular right – a franchise – rather than a private, personal property right, whereas reiterating clearly and definitively that a patent is a private, personal property right of an Inventor comports with over 200 years of established law and Congress’ intent and exercise of its plenary authority to so determine, including in 35 USC § 261 which already states “patents shall have the attributes of personal property”;

(9) There exists a balance between (1) an accused patent infringer having recourse to assert an issued patent is invalid or unenforceable, which recourse must be undertaken in good faith and without unnecessary costs or burdensome delays, and (2) a patent owner having certainty that, for the limited time of the patent term, he is able to freely exercise the “exclusive Right” conferred by the patent (said Right having been acknowledged by Congress acting “by securing” for the Inventor his “exclusive Right” under Article 1, Section 8), for example by voluntarily licensing the technology to be developed by others or by commercializing the technology himself;

(10) An “exclusive Right” of a patent is neither “exclusive” nor “secured” under Article 1, Section 8 of the United States Constitution if, during its entire limited duration, it is subject to being invalidated or found unenforceable. Therefore Congress intends to incentivize the public to invalidate patents issued in error by providing only a time certain in which a patent’s validity can be contested, balancing the public’s interest in removing errantly issued patents with the Constitutional mandate that Congress act “by securing for limited times” to Inventors a reasonable term with quiet title to the exclusive Right a patent confers;

(11) The “exclusive Right” of a patent is a property right exercisable by the patent owner, which does not require that the patent owner practice the claimed invention. It is a negative right – a right of exclusion – and any unwanted trespass should be prevented by enjoining the trespass, until and unless the patent owner and the patent infringer agree, voluntarily, on commercial licensing terms. A patent owner must be able to enjoin ongoing infringement upon his property right, rather than be forced into a compulsory license, because Congress has provided in the Patent Act no mandate for a compulsory license. If another desires to practice the claimed invention, the effective and efficient promotion of progress in science and the useful arts favors voluntary commercial agreements, as opposed to an infringer forcing continued and unwanted infringement upon the patent owner, in exchange for a governmentally-adjudicated compulsory license fee. Congress notes that the Supreme Court in *Kelo v. City of New London* recognized, “[I]t has long been accepted that the sovereign may not take the property of *A* for the sole purpose of transferring it to another private party *B*, even though *A* is paid just compensation.” See, *Kelo v. City of New London*, 545 U.S. 469 (2005);

(12) A patent owner seeking to enforce its “exclusive Right” often incurs extremely burdensome litigation expenses and time delays, diminishing the limited time to which the law otherwise affords an “exclusive Right,” making timely and cost-effective legal relief all but unattainable for most patent owners and nearly impossible for small businesses and individual inventors;

(13) The burdens upon a patent owner desiring to enforce its “exclusive Right” have given rise to an “efficient infringement” business model whereby patent infringement occurs, often by large companies, companies Congress has determined have engaged in anticompetitive business practices, or foreign companies, with little or no concern for any significant and meaningful legal or financial consequences. It is the intent of Congress to foster innovation by protecting strong, reliable, predictable property rights, and to discourage patent infringement of any kind, and in particular willful patent infringement.

Therefore, Congress intends to and does hereby act by clarifying its intent that 35 U.S.C. §101 shall be the sole standard by which patent eligibility is measured, eliminating so-called “judicial exceptions” to patent eligibility and any case law that purports to establish or apply any patent eligibility standard other than that stated in 35 U.S.C. §101.”

In sum, any revised guidance from the Office must address and incorporate the important requirements of *Henry Schein* and *West Virginia v. EPA*. The clearest, constitutional guidance ought to require the Office to follow *only* the statute when examining for presence of patent eligible subject matter. The “major questions doctrine” prevents an agency from taking unheralded power over important matters of public policy reserved only for Congress itself absent “clear congressional authorization.” When a major question is involved – such as the major question of what is or is not patent eligible – the Supreme Court said one must “look for clear evidence that the people's representatives in Congress have actually afforded the agency the power it claims.” Congress has not provided the Office any authority to find “exceptions” to 35 U.S.C. 101.

If Congress becomes displeased with the Office no longer examining for “exceptions” to 35 U.S.C. 101, then Congress can pass new legislation. Until then, it is neither the judiciary nor the executive branch, via the Office, that has any constitutional authority to set public policy concerning what subject matter is patent eligible. This whole morass must be remedied by returning to first principles and to the proper separation of powers set out in the Constitution itself.

The author invites questions or clarifications of the foregoing, with correspondence being sent to: curtis.a.evans@gmail.com