



FÉDÉRATION INTERNATIONALE DES CONSEILS  
EN PROPRIÉTÉ INTELLECTUELLE

INTERNATIONAL FEDERATION OF  
INTELLECTUAL PROPERTY ATTORNEYS

INTERNATIONALE FÖDERATION  
VON PATENTANWÄLTEN

## SUBJECT MATTER ELIGIBILITY UPDATE PROPOSALS TO MODIFY 35 USC 101

Several intellectual property law associations (including the New York Intellectual Property Law Association [NYIPLA], American Intellectual Property Law Association [AIPLA], and Intellectual Property Owners Association [IPO]) have agreed to a proposal to amend 35 U.S.C. 101 to address limitations and/or uncertainty in the area of subject matter eligibility in light of the Supreme Court decision in *Alice Corporation Pty. Ltd. v. CLS Bank International et al.*, 134 S. Ct. 2347 (2014).

Indeed, so much uncertainty has arisen as a result of the Alice case, that even the Court of Appeals for the Federal Circuit has expressed a desire for Congress to take some action to amend this statute. *Aatrix Software, Inc. v. Green Shades Software, Inc.*, No. 2017-1452 (Fed. Cir. May 31, 2018).

Recently, Representatives Thomas Massie (R-KY, 4<sup>th</sup> dist.) and Marcy Kaptur (D-OH, 9<sup>th</sup> dist.), have introduced a bill, H.R. 6264 entitled “Restoring America’s Leadership in Innovation Act,” that seeks to amend 35 U.S.C. 101, as well as effectively reverse many of the provisions of the America Invents Act (AIA). The bill proposes to return the U.S. to a “first to invent” system, abolish Inter Partes Review (IPR) and Post Grant Review (PGR) proceedings, and revert the Patent Trial and Appeal Board (PTAB) to the “Board of Patent Appeals and Interferences.” In addition, the bill would eliminate fee diversion from the USPTO, restore patents as a property right by adding a new 35 U.S.C. 106, restore definitions of prior art under 35 U.S.C. 102, and re-establish prior “grace period” exceptions to prior art. The bill also proposes to end publication of applications after 18 months, restore the best mode requirement of 35 U.S.C. 112(a) as a defense to infringement and in total, provides revisions to 35 U.S.C. sections 6, 42, 100, 101, 102, 103, 122, 134, 135, 141, 261, 282, 283 and 291 and repeals sections 31 and 32. In essence, the bill would abrogate the effects of not only the Alice case, but also *Impression Products Inc. v. Lexmark International, Inc.*, 581 U.S. \_\_\_\_ (2017) and *Ebay Inc. v. MercExchange, LLC*, 547 U.S. 388 (2006).

The changes to 35 U.S.C. 101 proposed in HR 6264 are similar to those proposed by IPO/AIPLA/NYIPLA:

Current 35 U.S.C. 101	NYIPLA/AIPLA/IPO proposal	HR 6264
Whoever invents or discovers any <b>new and</b> useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, <b>may obtain a patent therefor</b> , subject to the	<b>Eligible Subject Matter</b> a) Whoever invents or discovers, <b>and claims as an invention</b> , any useful process, machine, manufacture, composition of matter, or any useful improvement thereof, <b>shall</b>	(a) IN GENERAL.— Whoever invents or discovers any <b>new and</b> useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, <b>may obtain a patent</b>



Current 35 U.S.C. 101	NYIPLA/AIPLA/IPO proposal	HR 6264
conditions and requirements of this title.	be entitled to a patent therefor, subject only to the conditions and requirements set forth in this title.	therefor, subject to the conditions and requirements of this title.
	<p><b>Sole Exceptions to Subject Matter Eligibility</b></p> <p>b) A claimed invention is ineligible under subsection (a) if and only if the claimed invention as a whole (i) exists in nature independently of and prior to any human activity or (ii) is performed solely in the human mind.</p>	<p>(b) EXCEPTION.—</p> <p>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, exists in nature independently of and prior to any human activity, or exists solely in the human mind.</p>
	<p><b>Sole Eligibility Standard</b></p> <p>c) The eligibility of a claimed invention under subsections (a) and (b) shall be determined without regard to:</p>	<p>(c) ELIGIBILITY STANDARD.—</p> <p>The eligibility of a claimed invention under subsections (a) and (b) shall be determined without regard as to</p>
	(i) the requirements or conditions of sections 102, 103, and 112 of this title;	the requirements or conditions of sections 102, 103, and 112 of this title,
	(ii) the manner in which the claimed invention was made or discovered; or	
	(iii) whether the claimed invention includes an inventive concept.	or the claimed invention's inventive concept.



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Sources suggest that HR 6264 will meet with significant resistance, but that it is an excellent first step toward much-needed clarity with respect to 35 U.S.C. 101. It would appear that in order for Congress to seriously consider such amendments, the voices of a number of medium and large enterprises would need to be heard. We should encourage our clients who are concerned with section 101 issues to make their voices heard in Congress.

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Study & Work Commission (CET)