

FÉDÉRATION INTERNATIONALE DES CONSEILS EN PROPRIÈTÉ INTELLECTUELLE INTERNATIONAL FEDERATION OF INTELLECTUAL PROPERTY ATTORNEYS INTERNATIONALE FÖDERATION VON PATENTANWÄLTEN

06 July 2023

FICPI Statement on the Patent Eligibility Restoration Act of 2023

FICPI strongly supports the proposed Patent Eligibility Restoration Act of 2023 which was introduced by U.S. Senators Thom Tillis (R-NC) and Chris Coons (D-Del) on June 22, 2023, following several years of discussions with stakeholders. FICPI played an active role in those conversations, representing our worldwide community of independent IP attorneys and their diverse range of clients and providing an international perspective.

In his statement regarding the bill, Senator Tillis stressed that

...clear, strong, and predictable patent rights are imperative to enable investments in the broad array of innovative technologies that are critical to the economic and global competitiveness of the United States, and to its national security.¹

Patent subject-matter eligibility in the US has become a complex matter as a result of the lack of clarity in defining patent-eligible subject matter after the *Mayo, Myriad* and *Alice* Supreme Court cases in the 2010s, the Federal Circuit's attempts to follow this precedent, and the Supreme Court's continuing denial of *certiorari* in cases appealing decisions on rejections under 35 USC § 101. Senator Coons noted that "The Supreme Court has repeatedly failed to clarify the law, so Congress must act."² The new Bill must be passed by both the House and Senate.

The bill itself highlights the frustrations of the courts and stakeholders regarding the uncertainty created by the Supreme Court precedent:

Many judges of the United States Court of Appeals for the Federal Circuit and of various district courts of the United States have explicitly expressed the need for more guidance with respect to the meaning of section 101 of title 35, United States Code, and many patent owners, and persons that engage with patent owners, complain that the interpretation of that section is extremely confusing and difficult to discern and apply with any confidence.³

There are particular uncertainties in the medical field regarding the patenting of diagnostic methods, pharmaceutical products derived from nature, and in the field of computer-implemented inventions, in distinguishing an invention from an "abstract idea." Senator

³ Patent Eligibility Restoration Act at Sec. 2 (4).

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¹ https://www.tillis.senate.gov/2023/6/tillis-coons-introduce-landmark-legislation-to-restore-american-innovation

² https://www.coons.senate.gov/news/press-releases/senators-coons-tillis-introduce-patent-eligibility-restoration-act-to-revitalize-american-

innovation#:~:text=%E2%80%9CThe%20Patent%20Eligibility%20Restoration%20Act,telecommunications%2C%20to%20na me%20a%20few.



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Coons noted that "[c]ritical technologies like medical diagnostics and artificial intelligence can be protected with patents in Europe and China, but not in the United States."1 These uncertainties also have an impact outside the US into global markets: many worthy projects outside the US do not get funded as a result of the problems in the US.

The new Bill eliminates all judicial exceptions to patentability, clarifies that 35 USC §§ 102, 103⁴ and 112 are not to be used in determining patent eligibility under § 101, and specifically enumerates in amended § 101 exceptions to patent eligibility: purely mathematical formulas and mental processes; unmodified genes and natural materials as those exist in the human body and in nature, respectively; and processes that are substantially economic, financial, business, social, cultural or artistic.

FICPI Immediate Past President, Julian Crump, participated in a Pro-reform group led by former Director of the USPTO, David Kappos, and former Chief Judge of the CAFC (and FICPI Member of Honour), Paul Michel. An ad hoc committee of US and international FICPI members was formed to follow discussions within the pro-reform group and to support Mr. Crump's participation in that group. Mr. Kappos and former USPTO Director Andrei Iancu have also formed the Council for Innovation Promotion (C4IP), which likewise seeks to promote and foster patent rights to incentivize innovation.

Current FICPI President, Robert Pistolesi commented: "FICPI is pleased to see the introduction of this Bill and fully supports the proposed changes to 35 USC §§ 100 and 101. In particular, FICPI is pleased to see that all prior judicial exceptions to patent eligibility would be eliminated, and that going forward, specific judicial exceptions would be limited to those enumerated in § 101. We believe that the proposed changes will bring the US back into step with the norm in the rest of the world, and will address the uncertainty and considerable expense stakeholders have experienced when attempting to protect important areas of technology. I am pleased that FICPI members, led by Julian Crump, have been involved in the Pro-reform group discussions, providing insight on global patent systems, and contributing to the development of the proposed new text for US legislation. We look forward to passage of this critical bill."

At the FICPI World Congress held in September 2022, a breakout session was held on "Eligibility: whither the patent system" including pre-recorded remarks from both Sen. Tillis and Judge Michel, and speakers presenting the views of both the Pro-reform and opposite Concerned groups who have been negotiating possible legislative changes.

Becoming a FICPI member enables you to share ideas and concerns with other independent IP attorneys around the world who share a strong shared interest and commitment to quality.

Regular FICPI representation at IP Office and Association events ensures that members' views are conveyed, and that the perspective of such bodies is relayed back to the FICPI membership.

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⁴ As in the 2022 Bill, the 2023 bill seeks to amend § 101 to remove the term "new" so as to clarify that §§ 102 and 103 are not be considered in determining subject matter eligibility, but only in determining patentability once eligibility has been established.