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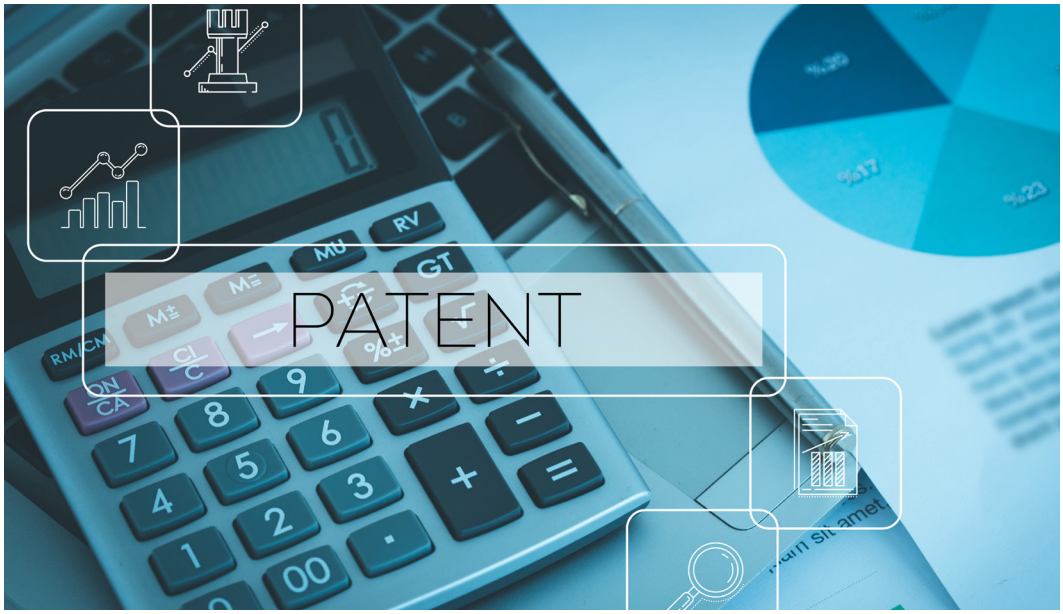
Congress Sets the Stage to Expand Patent Eligibility for Computer-Implemented Inventions



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Senators from both sides of the aisle expect to introduce a final bill this summer that could significantly improve the prospects for patent applicants with software and business method inventions. Congress recently held three days of hearings on a draft bill that reverses recent U.S. Supreme Court case law restricting subject matter eligibility, including with respect to the *Mayo v. Prometheus and Alice v. CLS Bank* decisions. Following the hearings, Senator Chris Coons, D-Del., expressed his view that, “the law in the area of patent eligibility is a complete mess, and I think we need to attempt to bring clarity and restore the strong patent protections that have long supported our innovation economy.”

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The draft bill loosens the subject matter eligibility requirements in several respects. The proposal removes the word "new" from 35 U.S.C. § 101 and makes clear that eligibility of a claimed invention is to be determined without regard to novelty or obviousness. The proposal places an emphasis on utility of an invention in a technological field, which is aligned with recent U.S. Patent and Trademark Office guidance stating that inventions "integrated into a practical application" are eligible for patent protection.

The draft bill also states that "eligibility under this section shall be determined only while considering the claimed invention as a whole, without discounting or disregarding any claim limitation." Currently, many claim limitations, including those that may be considered generic or known in the art, are often disregarded during prosecution even though they provide practical utility in combination with other limitations of a claim.

Significantly, the proposed bill also emphasizes that its provisions "shall be construed in favor of eligibility" and that no judicially created exceptions (*e.g.*, abstract ideas) shall be used to determine patent eligibility. The proposed legislation goes a step further and explicitly abrogates all cases establishing or interpreting such judicially created eligibility exceptions.

While the final bill may place more limits on eligibility than the legislation that is currently proposed, support for expanding patent eligibility is increasing on both sides of Capitol Hill. We expect that more clarity will be provided soon to applicants and a broader array of computer-implemented and other business method inventions will be eligible for patent protection.

Accordingly, we recommend educating your internal development teams on the already rapidly expanding scope of patent-eligible subject matter in view of the USPTO's updated eligibility guidelines in January of this year. A much larger scope of innovation in the software and business method space is now eligible for protection, and savvy applicants who are aware of, and take proactive action in view of, this shift will have a strategic advantage over their competitors.

Additionally, we recommend taking advantage of the already changed eligibility guidelines to advance prosecution in applications that may have previously stalled due to an eligibility rejection. For new patent applications relating to computer-implemented or

business method technologies, we recommend strategic drafting of the claim limitations to correspond with the USPTO's updated guidelines and bolstering the disclosure to include support for the specific and practical application of the claimed technology. We are available to discuss these and other strategies applicants can use to support the eligibility of a claimed invention.

Although the state of the law surrounding patent eligibility remains in flux, it clearly appears that Congress is on the cusp of heeding Judge Lourie's call, from the Federal Circuit's recent decision in *Athena Diagnostics v. Mayo Clinic*, that, "as long as the court's precedent stands, the only possible solution lies in the pens of claim drafters or legislators. We are neither." We will keep you apprised as the developments in the law unfold.