Tillis' Promised Patent Eligibility Bill Would Overrule Myriad, Mayo (ipwatchdog.com)

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Today, Senator Thom Tillis (R-NC), the Ranking Member of the Senate IP Subcommittee, released the first draft of the *Patent Eligibility Restoration Act of 2022*, which if enacted would, at a minimum, overrule the Supreme Court's decisions in *Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S.Ct. 2107

(2013) and *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 132 S.Ct. 1289 (2012).

"I applaud Senator Tillis for introducing this important legislation to fix our nation's patent eligibility laws, and to pave the way for America's continued technological and economic leadership," Andrei Iancu, former Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office and now a partner with Irell & Manella, told IPWatchdog. "This bill is an important milestone in the effort to modernize our patent laws, and to clear up the confusion caused by recent jurisprudence as to what is patentable and what is not. America's innovation economy depends on a clear, predictable and well-balanced patent system, which is precisely what Senator Tillis's legislation would promote in this important area of law."

Myriad/Mayo Would Be History

To refresh your memory, in *Myriad*, the Supreme Court held that "a naturally occurring DNA segment is a product of nature and not patent eligible merely because it has been isolated…" Ignoring both the U.S. Constitution and the Patent Act itself, the Court would also unanimously state that "[g]roundbreaking, innovative, or even brilliant discovery does not by itself satisfy the 101 inquiry."

Well, discoveries are identified both in the U.S. Constitution and the Patent Act as constituting patent eligible subject matter, and, if enacted, the *Patent Eligibility Restoration Act of 2022* would once again make discoveries patent eligible. Moreover, the explicit language of the draft bill would make patent eligible "a human gene or natural material that is isolated, purified, enriched, or otherwise altered by human activity, or that is otherwise employed in a useful invention or discovery…" Indeed, there is no way to characterize this draft bill as anything other than an attempt to return to the principles of *Diamond v. Chakrabarty*, 447 U.S. 303 (1980), where human activity was the touchstone to patent eligibility, and explicitly overrule *Myriad*.

And to refresh your memory on *Mayo*, the Supreme Court intentionally chose not to apply 35 U.S.C. 102 (novelty), 35 U.S.C. 103 (obviousness) and 35 U.S.C. 112 (description) to evaluate the claims. The Solicitor General of the United States specifically argued that the Supreme Court should look to those other sections of the statute, as the Court itself commanded be done in *Diamond v. Diehr*, for example. In fact, the Supreme Court acknowledged that the claims in question were not solely directed to a law of nature, but rather that the additional claim "instructions add nothing specific to the laws of nature other than what is well-understood, routine, conventional activity, previously engaged in by those in the field." It was this well-understood, routine, and conventional activity requirement that overruled the commandment of *Diehr* not to force all statutory requirements into the patent eligibility requirement found in 35 U.S.C. 101.

Again, focusing on the explicit language of the draft bill, we see that the very heart of the *Mayo* test, whether what is substantially more is known, conventional, or routine, is prohibited from consideration when determining patent eligibility. The text of the draft says: "In determining whether, under this section, a claimed invention is eligible for a patent, eligibility shall be determined… without regard to… whether a claim element is known, conventional,

routine, or naturally occurring." This clearly is intended to overrule *Mayo,* and because much of *Alice* is built on *Mayo*, *Alice* would at a minimum become questioned. Regardless, the *Alice/Mayo* framework would come to an ignominious end.

Retired Federal Circuit judge and of counsel with Irell & Manella, the Hon. Kathleen O'Malley, also reached out to IPWatchdog with her take on the bill. She said:

"I am pleased to see that Congress is offering to provide much-needed clarity regarding 35 U.S.C. § 101. Senator Tillis's new bill offers welcome guidance to the USPTO, district courts around the country, and the Court of Appeals for the Federal Circuit, as well as our nation's innovators. By doing so, it would provide all stakeholders with greater predictability about the scope of available patent protections across all technologies."

Likely Outcome: Uncertain at Best

The draft bill attempts to put an end to judicially created exceptions to patent eligibility by saying that the only exceptions to patent eligibility would now be found within the Patent Act. That seems final, but there have been fears inside the beltway that the Supreme Court could simply in the next case resurrect their line of patent killing precedent by finding that their patent eligibility rulings were mandated by the Constitution. I don't know that I believe that scenario to be likely, but it must be acknowledged as more than just craziness given those who have expressed such worry over the years. And no one in the patent community has ever lost money betting on the Supreme Court to do the wrong thing with respect to patents—even if because of sheer luck they do occasionally get a decision right.

What is the likelihood of this legislation passing? Uncertain at best. This legislation would absolutely be a solution to many of the patent eligibility problems that have plagued the industry for the last decade. Of course, if the tech giants in Silicon Valley think this will hurt them the bill will be killed, period. But maybe, just maybe, enough patents have died and the nonsense about a drive shaft not being patentable because it employs Hooke's law will be enough. Because without a fix, nothing is patent eligible anymore, and the Supreme Court seems perfectly comfortable with that until Congress fixes the problem.

Let's Hope for a 101 Reset Button

I don't know whether this legislation will pass, but the damage has been done over the last decade. How many startups haven't started up because of this foolish journey? What long term impact has it caused to American competitiveness? It is impossible to know what will not be because of this ill-advised sojourn that has led to a dead end.

In comic book culture, when a series is run into a dead end from which there can be no future, a reset button is hit, and the series simply starts over as if the previous misguided journey never happened. We can only hope that will be the case with respect to 101.

Tillis also provided a one-page synopsis and section by section analysis of the bill.

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