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The McCarthy Institute

IP-Con 2022

Section 101 in 2022

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35 U.S.C. § 101

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. (Emphasis added.)

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Topics

- Brief history
- Recent history
- *American Axle v. Neapco*
- What does the future hold?

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Brief History

- Pre-1952 Patent Act
  - Judge-made eligibility exceptions – laws of nature, abstract ideas, natural phenomena
  - "Inventive concept"
- 1952 Patent Act
- *Graham v. John Deere* (1966) (Clark)
- 1982 Federal Courts Improvement Act

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Brief History (cont'd)

- *Gottschalk v. Benson* (1972) (Douglas)
- *Parker v. Flook* (1978) (Stevens)
- *Diamond v. Chakrabarty* (1980) (Burger)
- *Diamond v. Diehr* (1981) (Rehnquist)

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Recent History

- Breyer, *Lab Corp. v. Metabolite*, 2006
- *Bilski v. Kappos*, 2010 (Kennedy)
- *Mayo v. Prometheus*, 2012 (Breyer)
- *AMP v. Myriad*, 2013 (Thomas)
- *Alice Corp. v. CLS Bank*, 2014 (Thomas)

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Supreme Court/Federal Circuit Tension

- *eBay v. MercExchange*, 2006 (obviousness) (Thomas)
- *Octane/Highmark*, 2014 (fee-shifting) (Sotomayor)
- *Nautilus*, 2014 (definiteness) (Ginsburg)
- *Teva*, 2015 (claim construction) (Breyer)
- *Halo v. Pulse*, 2016 (willfulness) (Roberts)

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Alice Test

- Step One: Is the patent claim "directed to" patent-ineligible concept of laws of nature, natural phenomena, or abstract ideas?
- If yes, Step Two: Does the claim contain an "inventive concept"; an application of the concept sufficient to confer eligibility?

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Recent 101 History

- Cert denied since *Alice*
  - *Sequenom v. Ariosa*, 15-1182
  - *HP v. Berkheimer*, No. 18-415
  - *Hikma v. Vanda*, 18-817
  - *Athena v. Mayo*, No. 19-430
- *American Axle v. Neapco*, No. 20-891

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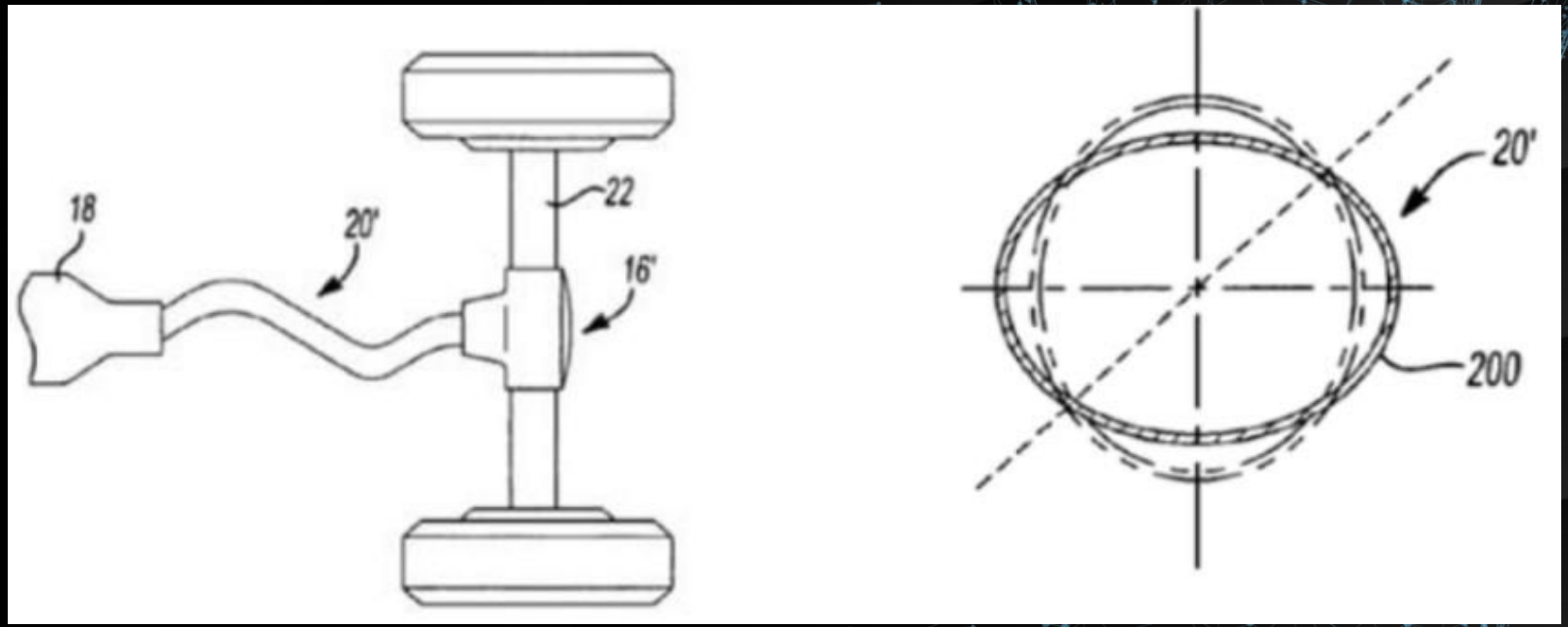
American Axle v. Neapco



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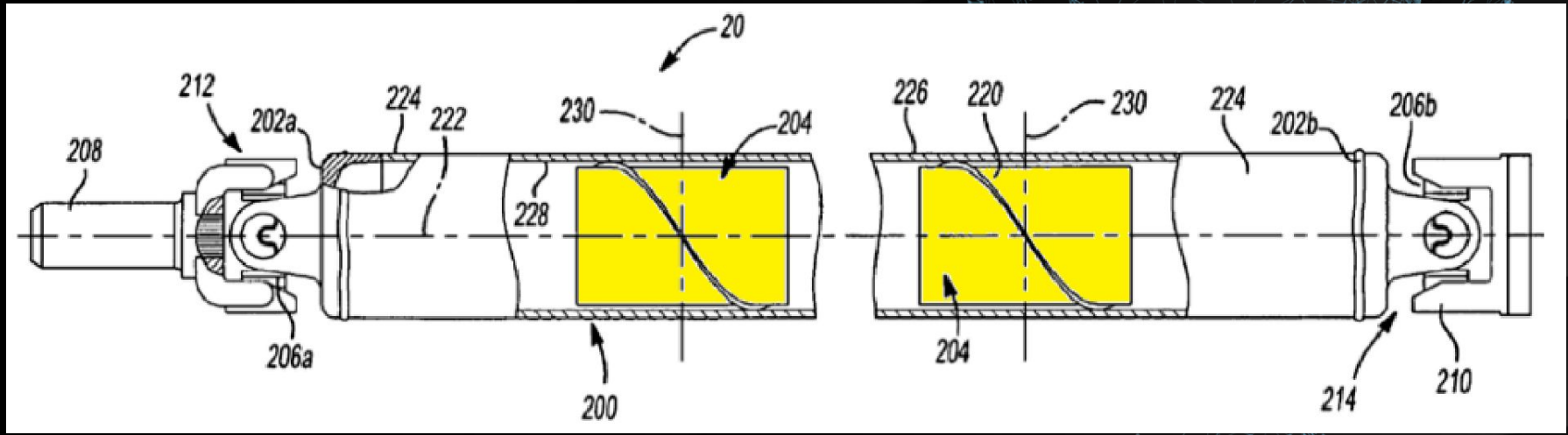

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American Axle v. Neapco

22. A method for manufacturing a shaft assembly of a driveline system, the driveline system further including a first driveline component and a second driveline component, the shaft assembly being adapted to transmit torque between the first driveline component and the second driveline component, the method comprising:

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American Axle v. Neapco

providing a hollow shaft member;

tuning a mass and a stiffness of at least one liner; and

inserting the at least one liner into the shaft member;

wherein the at least one liner is a tuned resistive absorber for attenuating shell mode vibrations

and wherein the at least one liner is a tuned reactive absorber for attenuating bending mode vibrations.

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American Axle v. Neapco

- Trial court grants summary judgment to Neapco under 101
  - "Hooke's Law"
- Federal Circuit
  - 2-1 panel decision affirming
  - Rehearing denied on 6-6 vote (five opinions)
  - Panel decision revised

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American Axle v. Neapco

- Key petitioner arguments
  - Historically, industrial manufacturing processes are patent-eligible
  - "Directed to"
  - *Diamond v. Diehr*
  - Claims vs. specification/112

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American Axle v. Neapco

- Key petitioner arguments
  - Fact issues
  - Judicial exceptions atextual
  - Federal Circuit division akin to circuit split
  - “patent eligibility law truly is a mess”; judicial fix required

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American Axle v. Neapco

- Key respondent arguments
  - *Alice* working as intended
    - Most district court decisions affirmed
    - Flexibility good, not bad
    - Predominantly biotech/life sciences and software/IT
    - No clarifying alternative offered
    - Congress, not Court

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American Axle v. Neapco

- Key respondent arguments
  - Other issues
    - No inventive concept
    - 112
    - Not all claims
  - *O'Reilly v. Morse* (1853)

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What Does the Future Hold?

- Waiting for Solicitor General's views
- Court composition
- "Directed to"

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Court Composition – Agents of Change?

- Scalia – Gorsuch
- Ginsburg – Barrett
- Kennedy – Kavanaugh
- Breyer – Jackson?

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Justice Clarence Thomas

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“Directed to”

- Diagnostics – laws of nature
- IT – abstract idea
- Industrial/mechanical applications?

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"Directed to"

- *Bilski*:
  - "This Court's precedents establish that the machine-or-transformation test is a useful and important clue, an investigative tool, for determining whether some claimed inventions are processes under § 101."
  - "The machine-or-transformation test may well provide a sufficient basis for evaluating processes similar to those in the Industrial Age—for example, inventions grounded in a physical or other tangible form."

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Thank you!