# Courts Can Resolve Patent Eligibility Problems, Iancu Says

*By Ryan Davis*

Law360 (April 11, 2019, 5:19 PM EDT) -- U.S. Patent and Trademark Office Director Andrei Iancu suggested Thursday that the continuing confusions over which inventions are eligible for patents can be fully resolved by the courts if they decide to make it a priority, and urged the judicial branch to take on cases with that goal in mind.

Speaking at the American Bar Association's Intellectual Property Law Conference in Arlington, Virginia, Iancu said that while his office can issue guidelines interpreting patent eligibility rulings, the courts can settle the matter once and for all, without waiting for Congress to rewrite the law.

"It's important for the judiciary to first recognize that there is a problem that needs to be addressed," he said. "There's absolutely no question the courts can solve the issue if they would like to."

Iancu remarked that the U.S. Supreme Court, or more likely the full Federal Circuit sitting en banc, could take on a few cases dealing with patent eligibility — some in the life sciences field, and some in the tech field. Then, the court could take a deep dive into the issues they present, seeking amicus input from government and industry groups, and issue decisions that provide clear eligibility guidance.

"Let's hash it out," he said. "It's not brain surgery. It's a solvable issue."

Since the Supreme Court's 2012 decision in Mayo v. Prometheus that laws of nature are not eligible for patents under Section 101 of the Patent Act, and its subsequent 2014 ruling in Alice v. CLS Bank that the same is true for abstract ideas implemented using a computer, the patent world has struggled to understand exactly what falls into those categories.

"101 remains the most important substantive patent law issue in the United States today. And it's not even close," Iancu said.

Some Federal Circuit judges have said in recent decisions that they feel their hands are tied by Mayo and Alice, and that they are compelled by those rulings to find certain patents ineligible. But, Iancu said, "I actually don't think that's the case, and I think a closer look at the cases would illuminate that point."

For instance, the patent that the justices found invalid in Alice involved a method of conducting escrow transactions using a computer, but the ruling hinged on the holding that such transactions are basic economic practices that can't be patented, Iancu said.

"That's the holding of Alice. We should not extrapolate from that that anything done on a computer, no matter what we do on a computer, creates a 101 problem," he said.

Iancu said the USPTO is actively seeking to get more involved in pending litigation involving patent eligibility, with the agency's solicitor's office working to identify cases involving patent eligibility "where we can intervene ... or provide amicus briefs and have our views heard a bit more formally."

The USPTO has put out several rounds of guidance to its examiners on how to apply court decisions on patent-eligibility, including one earlier this year that defined what the office will treat as abstract ideas, which has been widely viewed as opening the door for more inventions to be found patent-eligible.

Iancu said that guidance has been a "huge improvement" at the office that "really liberates more time for examiners to do a good job," by allowing them to better research other issues, like whether the claimed invention is invalid as obvious or anticipated.

"It really is working great," he said. "For examiners, it's making the examination significantly more straightforward."

Nevertheless, the office cannot modify the law of patent-eligibility on its own. Some members of Congress are working to draft legislation that could rewrite Section 101, and Iancu said the office is willing to work with them. But he also noted the inherent uncertainty of the legislative process.

"Congress is proceeding apace," he said. "But as we know, legislation takes a long time at best. It's unpredictable. You don't know what's going to come out at the end, you don't know if anything will come out at the end ... The legislators will do what they do, but in the meantime, we have a system to operate every day."

He therefore suggested the courts may be the best hope to bring closure on the issue of patent eligibility, declaring that "if there is a will in that branch of government, they can address it now."

The Federal Circuit held in a decision last week that it is not bound by the USPTO's guidance on patent-eligibility, but Iancu said he was not troubled by that holding.

“All the court said vis-à-vis our guidelines is that they are not bound by them. That is a true fact,” he said. “It’s an independent judiciary; the administration cannot bind the court as a general rule. That is not surprising or troublesome in any way.”

Still, he sounded a note of caution on his idea of relying on the courts to sort out patent eligibility, saying that if a new Federal Circuit en banc decision on the issue ended up like previous efforts, it wouldn’t be much help. The court’s 2013 en banc decision in the Alice case resulted in a 135-page ruling with seven separate opinions and almost no consensus.

“The fact of the matter is the current state of Section 101 is a problem. Two branches of government have recognized this,” Iancu said, referring to both the USPTO’s guidance and the legislative efforts.

Iancu added that when he meets with intellectual property officials from other countries, they appear confused that the foundational question of what is patent-eligible remains so contentious in the U.S.

“They can’t believe we’re still struggling with this issue that they addressed years ago,” he said.

--Editing by Daniel King.