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Do not discriminate

A guiding principle of patent reform

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When you think of patent reform, nondiscrimination likely does not spring to mind, and yet "do not discriminate" ought to be a guiding principle. Time and again when legislative or administrative patent reform has been proposed, the ABA-IPL Section has urged nondiscrimination on the basis of the subject matter, field of invention, or field of technology. As the laws advanced, our advocacy has maintained allegiance to this principle.

In 1995, the Section opposed excluding surgical and other medical procedures from patenting, and after the discriminatory exclusion was adopted into law in 35 U.S.C. § 284 similarly established policy in 2007 favoring its elimination. In 2001, in response to H.R. 5364, the Business Method Patent Improvement Act, proposing to treat business method inventions differently for patentability, the Section opposed discriminatory availability of patent rights and discriminatory treatment of patent applications based on the "field of invention."

In 2005, the ABA-IPL Section supported legislation expanding the subject matter eligible for "prior user rights" under 35 U.S.C. § 273 to include "all categories of patented subject matter." At the time, the prior user rights defense, which was created in 1999 by the American Inventors Protection Act, was limited to business method patents and continued use of internal business processes alleged to constitute patent infringement. This provision was in response to concerns generated by the Court of Appeals for the Federal Circuit's decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*[1] Subsequently, the America Invents Act in 2011 accomplished for the prior user rights defense exactly what the Section had supported in 2005.

In 2007, because of its opposition to discriminatory availability of patent rights based on the field of invention, the Section opposed S. 681, the Stop Tax Haven Abuse Act, proposing to deny patents on inventions related to tax planning. Soon after the U.S. Supreme Court decided *Bilski v. Kappos*,[2] the Section cautioned that the teaching of *Bilski* should be applied to the patent examination process for process claims "without discriminatory treatment based on the field of the invention."

More recently, in 2018, the ABA-IPL Section, in cooperation with the Intellectual Property Owners Association and the American Intellectual Property Law Association, adopted the principle that "exceptions [to patent eligibility] should be subject-matter neutral so as to not discriminate in favor of or against any field of invention that has been developed or may be developed in the future."[3] Then just this past year, the Section adopted policy opposing legislation that would arbitrarily shorten the term of a validly issued patent or arbitrarily eliminate the statutory presumption of validity of an issued patent based solely upon the "field of technology" to which the patent claims are directed.

By avoiding discriminatory treatment on the basis of the field of invention or field of technology, patent reform sponsors can refrain from picking winners and losers. Discriminatory treatment risks altering the types of inventions and technologies protected, dampening patent arms races within an industry, disrupting markets for selling or licensing patents in an industry, shifting research and development (R&D) investments from one industry to another (e.g., to an industry with less resource- intensive R&D), losing R&D investments to countries practicing nondiscriminatory treatment, making an industry less innovative over time (e.g., the pharmaceutical industry in India), and potentially eliminating industries

in which patenting is indispensable for protecting innovation and non-patent protection (e.g., trade secret protection) is not practically available. Discriminatory treatment might also needlessly ignite tugs-of-war between stakeholders in different industries and dangerously open the door to reform efforts to specially calibrate the patent system for the particular industries and technologies of the winners or alternatively for life-saving health industries of the losers—risking system fragmentation as well as over-inclusion and under-inclusion from singling out industries and technologies.

In contrast, not only does nondiscriminatory treatment on the basis of the field of invention or field of technology facilitate doing no harm to any industry, but such treatment also accounts for both the future and related common industry interests. Future fields of invention and technology will undoubtedly differ from those fields that exist now. New fields, including industries, will emerge, and our patent system should therefore be flexible enough to accommodate these inevitable changes rather than being rendered obsolete due to industry-specific or technology-specific calibrations. Whether related to invention or technology, there are common interests in a patent system that encourages innovation, discourages free riding off costly R&D of others, and complies with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Its Article 27 mandates nondiscrimination with respect to "field of technology," excluding exceptions for diagnostic, therapeutic, and surgical methods, as well as treatments of humans and animals.

Because of the tremendous potential of artificial intelligence, questions have been raised recently on whether patenting artificial intelligence inventions should differ from other inventions. In answering these questions, the ABA-IPL Section has expressed that current frameworks are workable and sufficient and that the patent system is already designed to work for unpredictable technologies.[4] As stakeholders continue to wrestle with patenting artificial intelligence inventions, it helps to be mindful of the guiding principle of nondiscriminatory treatment—on the basis of subject matter, field of invention, and field of technology.

Endnotes

1 149 F.3d 1368 (Fed. Cir. 1998).

2 561 U.S. 593 (2010).

3 Letter from Scott F. Partridge, Chair, ABA Section of Intellectual Prop. Law, to Andrei Iancu, Under Sec'y of Commerce for Intellectual Prop. & Dir., U.S. Patent & Trademark Office (July 23, 2018), Link

4 Letter from George W. Jordan III, Chair, ABA Section of Intellectual Prop. Law, to Andrei Iancu, Under Sec'y of Commerce for Intellectual Prop. & Dir., U.S. Patent & Trademark Office (Nov. 8, 2019), Link

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