

Bills On '101 Patent Eligibility, PTAB Limits Near Senate Markup

By [Ryan Davis](#) · [Listen to article](#)

Law360 (September 20, 2024, 9:28 PM EDT) -- Legislation aiming to reduce decisions finding inventions ineligible for patenting and restrict invalidity challenges at the Patent Trial and Appeal Board will likely be considered by the Senate Judiciary Committee next week, a sponsor of the measures said Thursday.

The Patent Eligibility Restoration Act and the PREVAIL Act, [introduced last year](#), were on the panel's agenda for Thursday, along with the IDEA Act, which would allow the patent office to collect demographic data about inventors. However, the markup was postponed because Sen. Thom Tillis, R-N.C., a co-sponsor of the measures, was absent due to an illness in his family.

"I am holding Sen. Tillis and his family in my thoughts and prayers, and I expect that he'll be back next week and we can move these bills forward," said Sen. Chris Coons, D-Del., the chairman of the panel's intellectual property subcommittee, on which Tillis is ranking member.

Coons and Tillis introduced the [Patent Eligibility Restoration Act](#) and the [PREVAIL Act](#) last year. The first bill would overrule [U.S. Supreme Court](#) decisions that abstract ideas, laws of nature and natural phenomena are not eligible for patenting, and instead establish several narrower categories of things that cannot be patented.

For instance, the bill would establish that mathematical formulas, mental processes and a few other categories could not be patented, but that otherwise any "useful process, machine, manufacture, or composition of matter, or any useful improvement" would be patent eligible.

The senators argued that current case law leaves too much uncertainty about which inventions cover abstract ideas and natural phenomena and thus can't be patented, a topic

Coons addressed in his brief remarks Thursday.

"What we're trying to do ... is to address unresolved issues around patentability," he said. He added that the Federal Circuit "has been [begging](#) Congress and the Supreme Court to fix several cases for years," only for the justices to deny [dozens of petitions](#) seeking guidance on patent eligibility.

The bill was considered by the IP subcommittee [in January](#), and was developed following a multi-day [series of hearings](#) in 2019 on the issue, featuring dozens of witnesses.

The PREVAIL Act, which stands for Promoting and Respecting Economically Vital American Innovation Leadership Act, would put new limits on patent challenges at the PTAB.

It would create a standing requirement so that only companies accused of infringing a patent could challenge at the board. In addition, it would bar the board from reviewing patent claims on grounds that had been upheld in another forum, or reviewing patents being challenged in another forum.

Sponsors have said the measure is needed to promote fair treatment of inventors, because statistics show that over 80% of PTAB cases that reach a final decision result in at least one claim being invalidated.

Coons said Thursday that the bill would "address common sense reforms to post issuance review." He added that other senators had made helpful suggestions for ways the bill could be improved to ensure that it "does not reverse any of the great work several of my colleagues have done in reducing prescription drug prices."

"I look forward to hearing from you if there are remaining concerns about these two pieces of legislation in the week we have to make any additional needed improvements to get folks to yes, or to address their concerns," he said.

Sen. Sheldon Whitehouse, D-R.I. told Coons that he has constituents "who are unhappy about this measure, and we're trying to work through with them to understand their unhappiness" and that he is "happy to engage to address concerns."

Ahead of the hearing, supporters and opponents of both measures issued statements laying

out their positions.

The Innovation Alliance, which represents patent owners like [Qualcomm](#) and [AbbVie](#), said that the bills "represent a commitment to strengthening inventors' rights and the U.S. innovation economy to ensure that we retain global technological leadership and can compete successfully with China and other countries around the world."

A coalition of groups representing companies in the technology, retail and generic drug industries sent separate letters to the committee assailing the measures, saying the Patent Eligibility Restoration Action "would upend centuries of established law and would do serious harm to the American innovation economy."

The groups said the measure would spur "a wave of crippling litigation" over patents that could no longer be invalidated for claiming abstract ideas or laws of nature, and drive up drug prices by letting branded drug companies stifle generic competition with patents that are less innovative.

The PREVAIL Act "would have the foreseeable effect of shielding invalid patents from cancellation by the PTAB," the groups said, and "would primarily benefit foreign and non-practicing entities to the detriment of American businesses and consumers."

Coons acknowledged to the panel that patent law "is not an area of wide enthusiasm and interest" among the other senators.

"In fact, I think Sen. [Lindsey] Graham [R-S.C.] once said that the best way to torture someone would be to make them sit next to me as I talk to them about patent law. Several of you have repeated similar sentiments," he said with a laugh. "Please just realize that Sen. Tillis and I have spent literally years working on these two pieces of legislation."

A [third patent bill](#) was also set to be considered Thursday and was held over. The [IDEA Act](#), which stands for the Inventor Diversity for Economic Advancement Act, would permit the [U.S. Patent and Trademark Office](#) to confidentially collect demographic data about inventors on a voluntary basis, including gender, race and military or veteran status.

The data would allow for research into gaps in who is obtaining patents, and provide insight into policies that could be implemented to address such inequalities, sponsors said, citing

studies that only 22 percent of all U.S. patents list a woman as an inventor.

The Senate will be in recess from Sept. 30 until after the election in November. Lawmakers will return then for a lame duck session, so there is a limited window of time for the chamber to pass legislation this year.