

# Senate Panel Delays Votes On '101 Patent Eligibility And PTAB Bills

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

*Law360* (November 15, 2024, 8:12 PM EST) -- The Senate Judiciary Committee on Thursday postponed planned votes on legislation aimed at reducing decisions that inventions are ineligible for patents and setting new limits on [Patent Trial and Appeal Board](#) challenges, but approved a bill to let the patent office collect demographic data on inventors.

Sens. Chris Coons, D-Del., and Thom Tillis, R-N.C., the sponsors of the [Patent Eligibility Restoration Act](#) and the PTAB bill, which is known as the [PREVAIL Act](#), said at a Senate Judiciary Committee meeting that they are still working on both measures, but hope to have them ready for a vote soon.

"Both on PERA and PREVAIL, we are making great progress," Tillis said. "We're seeing it move closer to a markup than ever before. It's going to get marked up. So those who may be trying to undermine progress of either PERA or PREVAIL need to get at the table before they get on the table."

Coons said several of his colleagues had approached him with concerns about the bills, and that he and Tillis have been working on amendments to address them.

"There's a manager's amendment that I hope to move forward at our next markup. I do not think we should take this vote today," he said. He noted that some senators told him they would like to support the bills but aren't prepared to do so in their current form.

The Judiciary Committee did vote on another patent bill, the [IDEA Act](#), which is designed to allow for the collection of data about patent applicants to aid in addressing inequality. By a vote of 15-6, the panel advanced [that bill](#) to the full Senate for consideration.

The patent eligibility and PTAB bills were [introduced together](#) last year. They were

scheduled for a vote in the Judiciary Committee [in September](#) before it was delayed until after the election.

PERA 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, including mathematical formulas, mental processes and natural material.

Sponsors of the measure have argued that current law leaves too much uncertainty about which inventions can be patented, and results in too many patents being found invalid as covering only abstract ideas or natural laws.

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

Sponsors have said that provisions in the bill like creating a standing requirement, in order to permit challenges only by those accused of infringement, and barring certain invalidity arguments would make the board fairer to inventors. They cited statistics that over 80% of the board's final decisions result in at least one patent claim being invalidated.

The technology and generic drug industries, along with others that often challenge patents, have opposed both bills, arguing that PERA would permit patents on basic concepts, and that PREVAIL would shield invalid patents from cancellation.

At Thursday's hearing, Coons detailed some of the issues other senators had raised about the bills, and how he and Tillis have been working to address them.

He said that Sens. Peter Welch, D-Vt., Richard Blumenthal, D-Conn. and Amy Klobuchar, D-Minn., "who have been leaders in the fight to restrain and reduce the cost of prescription drugs" worried that putting limits on PTAB challenges could hinder those efforts.

"They had concerns that PREVAIL's standing requirement might prevent generic competitors and patient advocates from using the PTAB to challenge patents, and I was happy to work with them to ... add amendments that addressed those issues," Coons said.

In addition, he said that Sen. Marsha Blackburn, R-Tenn., said she needed more time to

consider the bills and Sen. Ted Cruz, R-Texas, is preparing "amendments about making the PTAB process fairer for small and independent inventors."

Coons argued that the PREVAIL Act is necessary because "there is some significant misrepresentation going on about what happens at PTAB: 18 of the 20 largest litigants are from Big Tech who use it to invalidate properly granted patents."

Sen. Mazie Hirono, D-Hawaii, spoke in favor of the IDEA Act, which stands for the Inventor Diversity for Economic Advancement Act, before committee members voted to approve it. The measure previously advanced out of committee [in 2021](#) but did not become law.

The IDEA 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. That would facilitate research into gaps in who obtains patents and how to address those inequalities, supporters have said.

Hirono, one of the sponsors, said that "we are in a global competition for Innovation with other countries. Our success in that competition depends on harnessing all the talent that our society has to offer."

She noted that the SUCCESS Act, which President Donald Trump [signed into law](#) in 2019, mandated a study into how to promote the participation of women, minorities and veterans in the patent system.

However, the USPTO [said in that study](#) that "it did not have access to precisely enough data to really answer those questions," and recommended that Congress enact provisions found in the IDEA Act, Hirono said.

The USPTO found that it had to guess the gender of applicants based on their names, and "that might work for names like Dick or Clark or Ted, but Cory and Lindsey are much tougher," Hirono noted to laughter from her colleagues with those names.

Hirono added that under the bill, the USPTO's collection of demographic data would be voluntary and confidential, would not be considered by patent examiners and would be treated "in a way that has no impact on which applicants ultimately receive a patent."

Holly Fechner, executive director of Invent Together, a group that works to broaden participation in the patent system, praised the vote on the IDEA Act, saying in a statement that it "will help us obtain the information we need to expand our innovation talent pool and compete globally."

The Innovation Alliance, which represents patent owners like [Qualcomm](#) and [AbbVie](#), said in a statement that the IDEA Act "will take important steps to broaden participation in inventing and patenting," but criticized the decision not to vote on the other bills.

"We are disappointed that the committee postponed consideration of the PREVAIL and Patent Eligibility Restoration Acts, which are needed to strengthen the U.S. innovation ecosystem," the group said. "Failure to pass these bills would represent a win for Big Tech and a loss for American inventors and the U.S. economy."