

Congress Should Finally Add Clarity To Section 101

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On Jan. 3, the 119th Congress started its first session, and it may take up an amendment of Section 101 of the Patent Act. Bills were introduced in both the [U.S. House of Representatives](#) and Senate in the 118th Congress to provide guidance on what qualifies as patentable subject matter under Title 35 of the U.S. Code, Section 101.



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Those bills, namely H.R. 9474 and S. 2140 were titled the Patent Eligibility Restoration Act, and both would insert legislative dicta into the text of Section 101 to undo 10 years of uncertainty caused by the [U.S. Supreme Court](#)'s 2014 decision in *Alice Corp. v CLS Bank*. The two-part test introduced in *Alice* led to a profound tightening of the standard for judging the patent eligibility of software-implemented inventions.

The Supreme Court has had opportunities to add more clarity to what constitutes patentable subject matter under Section 101. For example, in late 2023, the court chose [not to hear](#) the appeal for *Interactive Wearables LLC v. Polar Electro Oy*, a case where several patents were invalidated under Section 101.

Interestingly, Justice Brett Kavanaugh would have granted the petition. Had his position prevailed, patent attorneys, applicants and courts might have gotten a replacement for the *Alice* two-part test.

It is informative that S. 2140 coincided with the *Interactive Wearables* appeal. Perhaps the court has abstained from hearing Section 101 cases in the hopes that Congress will act. The 119th Congress has the opportunity to reintroduce both bills and quickly pass this needed amendment to Section 101.

A Quick Refresher on Patentable Subject Matter

Understanding the types of inventions that are eligible for patent protection involves four requirements: (1) The invention must be patentable subject matter under Section 101, (2) it must be novel under Section 102, (3) it must be nonobvious under Section 103, and (4) it must be adequately disclosed under Section 112.

Section 101 has unfortunately become the source of uncertainty due to the vagueness of the court's two-part test from *Alice*.

Section 101 seems straightforward. It states that "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."

Of its 36 words in total, it is easy to focus on one word, namely "any." The word "any" emboldens one to think that as long as the other requirements are met, any type of invention is patentable subject matter.

Indeed, in an early decision on whether genetically modified bacterium was patentable subject matter, *Diamond v. Chakrabarty*, the Supreme Court in 1980 went as far as to state that "anything under the Sun made by man" was patentable subject matter.

With the rapid growth in software and computing systems over the last 50 years, the court has been burdened with the question of whether software is patentable subject matter.

Software can be expressed as a process — the software code takes input data and makes it into an output with process steps. It can also be expressed as a machine, namely the computer system with the software acting within it.

Therefore, it seems to be either a process or a machine under Section 101. But it can also be viewed as mere mathematical steps, albeit carried out at great speed by the computer.

In subsequent decisions, the court began to establish clear carveouts to patentable subject matter. These carveouts included laws of nature, natural phenomena and abstract ideas.

In other words, no one can claim a newly discovered law of nature because it would be rejected as outside of patentable subject matter. Laws of nature and natural phenomena are clearly not inventions "made by man."

But the third carveout has remained mostly unexamined. What is an abstract concept? Is it just a poorly described invention that needs to be explained in more detail? Recall that Section 112 already requires adequate disclosure of the invention. Is it just an idea that seems already in widespread practice? Recall that Section 102 and 103 already require a patent claim be novel and nonobvious.

In *Alice Corp. v. [CLS Bank International](#)*, the Supreme Court in 2014 attempted to develop a clear test that would address the carveouts and provide certainty to applicants, the [U.S. Patent and Trademark Office](#), and the courts.

The court required that a patent claim's validity as patentable subject matter involves a two-part test. First, does the patent claim involve one of the three carveouts mentioned above? If not, the claim is patentable subject matter although still subject to the requirements of novelty, nonobviousness and adequate disclosure.

But, if the claim involves a carveout, then does it provide an inventive concept that is significantly more than the abstract idea itself? What does it mean to include significantly more? This vagueness has led to inconsistent rulings.

The Challenge of Amending Section 101

In September 2024, H.B. 9474 was introduced to amend Section 101. Among other minor changes, it would add a provision to Section 101 that explicitly guides how 101 should be applied:

In determining whether, under this section, a claimed invention is eligible for a patent, eligibility shall be determined — (A) by considering the claimed invention as a whole and without discounting or disregarding any claim element; and (B) without regard to — (i) the manner in which the claimed invention was made; (ii) whether a claim element is known, conventional, routine, or naturally occurring; (iii) the state of the applicable art, as of the date on which the claimed invention is invented; or (iv) any other consideration in section 102, 103, or 112.

This sort of amendment can be referred to as legislative dicta. It does not expand or contract the language of Section 101. Instead, it is explanatory language to provide guidance for future interpretations. Note that Congress would forbid disregarding physical claim elements — an attempt to limit the risk of abstraction.

The Problem of Abstraction

Abstraction generally means that a reader has taken a complicated concept and removed details to simplify it. For example, an inventor has developed a radiation detector that could be used to safely provide a total count of dangerous ionizing beta particles as well as less dangerous alpha particles.

It displays the total of the combined radiation types without differentiating between the two. A software update now provides an improved analysis of the detected particles and can provide a total count for each based on detected energy signatures from a sensor.

This seems like a useful improvement to a machine or a process. But the USPTO or courts could say that the improvement is merely the abstract mental steps of counting, in this case, the various particle types hitting a sensor.

If the claim is for the improved radiation detector, abstraction takes the invention down to an overly simplistic statement about counting particles. Clever wordsmiths can abstract any complicated invention into a crude summary that sounds more like an abstract concept. The court provided no meaningful limit to the risk of abstraction in Step 1 of the Alice test.

Conflation of Section 101 With Other Requirements

Note that Congress would also forbid the introduction of concepts around novelty, nonobviousness and adequate disclosure into the Section 101 analysis. This is a nod to decisions such as the [U.S. District Court for the Eastern District of New York's](#) decision in *Interactive Wearables*.

The USPTO granted a number of patents to *Interactive Wearables* related to a wearable content player. During litigation, the district court invalidated the issued patents including,

for example, the following claim:

A content player comprising:

a receiver configured to receive content and together with the content information associated with the content,

a processor coupled to the receiver and configured to process the content and the information associated with the content,

memory coupled to the processor,

a first display coupled to the processor, and

playing device equipment coupled to the processor and configured to provide the content to a user of the content player,

the playing device equipment comprising an audio player; wherein the content player is a wearable content player configured to be controlled by a wireless remote control device comprising a second display, the wireless remote control device being configured to receive commands directing operations of the wearable content player, and wherein the wireless remote control device is configured to provide the user at least a portion of the information associated with the content.

An issued patent claim, such as the one here, is a single sentence that defines what its owner has the right to exclude others from making, using or selling. So, Interactive Wearables' claim involves arguably seven discrete components, i.e., receiver, processor, memory. Does it seem like an abstract idea or like a content player?

Polar, the defendant, abstracted the claim and asserted it was just a method of providing information in conjunction with media content. The district court agreed. The court disregarded the physical components of the content player because it believed the physical components seemed individually generic.

The court stated: "[n]othing else is described in the specification as the invention," and the "specification fails to provide any technical details for the tangible components."

However, most patent attorneys would probably consider this a Section 112 issue and not a Section 101 issue. The court thus created a quasi-enablement requirement for patent eligibility under Section 101. This conflation of Section 112 into Section 101 is just one example of the fractured nature of patentable subject matter that might be addressed by H.R. 9474.

Understanding the Concept of Mental Labor

The development of a new farm plow to push through hard soil would unquestionably be patentable subject matter under Section 101.

The U.S. Constitution wants patent law to promote "the progress of science and the useful arts." Software eases mental labor in the same way that the improved plow eases physical labor. That makes software a useful art. Yet, courts have a difficult time understanding that easing a mental burden — such as the speed of calculating a solution — is useful progress.

Courts should accept that easing mental labor is just as useful as easing physical labor. Indeed, Congress should consider adding language to H.R. 9474 acknowledging this.

Conclusion

The U.S. Supreme Court must necessarily interpret broad statutory language. The 36 words of Section 101 are broad, and it is normal for the court to provide guidance on how broad statutory language should be interpreted.

However, there is a misplaced belief that having a test — preferably with at least a few numbered parts — provides clarity. In this instance, the courts, the software industry, applicants and even examiners at the USPTO have become dramatically more divergent in understanding those 36 words. As Interactive Wearables wrote in its reply brief to the Supreme Court:

The United States patent eligibility doctrine is perilously fractured. The lower courts have proven unable to apply this Court's judicial exceptions to Section 101 in a consistent and predictable manner. ... In recent years, the Federal Circuit's inability to consistently apply this Court's precedent has led it to invalidate claims directed to digital cameras, garage door

openers — and now, the claimed content player/remote-control combination at issue here — as purportedly "abstract."

Whether by legislative dicta in H.R. 9474 or judicial dicta, Section 101 and the standard for patentable subject matter must be fixed soon. A new flood of software is being developed in the U.S. and elsewhere around artificial intelligence and its coupling with physical devices such as automobiles or medical diagnostic devices.

The fundamental benefit of patent protection will help incentivize the development of ever more powerful and useful software tools. Yet, the Alice two-part test has done little but create substantial uncertainty on whether that incentive is available.

The House and Senate appear to have proposed virtually identical solutions drafted with H.R. 9474 and S. 2140. Therefore, it is difficult to anticipate what difficulties might occur in a reconciliation committee related to the language. Let's hope that the 10 years of the Alice two-part test will end with congressional action during its 119th session.

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