Is the Patent Eligibility Restoration Act a Good Thing? Probably Not.

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On September 6, 2024, House Representatives Kevin Kiley (R-CA) and Scott Peters (D-CA) introduced the Patent Eligibility Restoration Act (PERA) to Congress. Senators Thom Tillis (R-NC) and Chris Coons (D-DE) introduced an earlier version of the bill to the Senate in 2023.

In a press release from Rep. Kiley's office, PERA is lauded as bipartisan legislation crafted to "restore patent eligibility to inventions across many fields." It notes that the U.S. has a particularly restrictive patent system due to "confusing U.S. Supreme Court rulings" and PERA will allow a greater variety of inventions "that foreign nations, like China, already allow their innovators to patent."

Inconsistent case decisions is of one of the reasons the U.S. Court of the Appeals for the Federal Circuit was created in 1982. If the court's panel determines that a decision will add significantly to the body of patent law, it issues a precedential opinion. However, PERA's ability to create consistency is questionable.

PERA would make two fundamental changes to U.S. patent law. First, it would erase the current judicially-created exceptions to patent eligibility. Second, it would direct courts to exclusively consider Title 35 of the U.S. Code section 101, which sets out the types of inventions that may be patentable, when making eligibility determinations. More succinctly, sections 102, 103, and 112 of the code, which set forth conditions and specifications for patentability, would continue to be applied as the fundamental tests. Section 101 would not.

Since its enactment, section 101 has read as follows: "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."

Under PERA, section 101, which has been a problem for many patent applications, would be replaced by new subsections (a) and (b). Subsection (a) would state: "Whoever invents or discovers any useful process, machine, manufacture, or composition of matter, or any useful improvement thereof, may obtain a patent therefor, subject only to the exclusions in subsection (b) and to the further conditions and requirements of this title."

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The proposed revision changes the phrase "new and useful" to "useful." Presumably, novelty is left to the purview of section 102.

Subsection (b) introduces eligibility exclusions and conditions. The exclusions include:

- a mathematical formula,
- a mental process performed solely in the human mind,
- a process that occurs in nature, and
- a natural material that exists in nature.

A process "that is substantially economic, financial, business, social, cultural, or artistic," is not patentable "even though not less than 1 step in the process refers to a machine or manufacture." Further, these processes "shall not be excluded from eligibility for a patent if the process cannot be performed without the use of a machine or manufacture." The terminology appears to create an exception to another exception. It also creates somewhat of a double negative concerning the "non-exclusion" of processes that cannot be performed without use of a machine or manufacture.

If this is intended to allow inventors in the U.S. to patent a wider variety of inventions that foreign nations like China already allow, PERA will fail. An unintended result of PERA could be a substantial increase in challenges to the very meaning of patent eligibility—although the writers distinguish between patentability and eligibility. The proposed legislation broadens the bases of attacks on patent eligibility.

PERA could lessen enforceable protections—particularly in view of new technologies that continue to rapidly emerge. Could the eligibility of a new technology and the protection of that technology be stifled as the courts attempt to apply PERA? Time will tell.