

## THE “INVENTIVE CONCEPT” TEST FOR PATENT ELIGIBILITY CONTRAVENES CONGRESSIONAL INTENT

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### ABSTRACT

*Substantial scholarship addresses the “inventive concept” patent eligibility test that emerged from the Supreme Court’s decisions in Mayo Collaborative Services v. Prometheus Laboratories and Alice Corp. v. CLS Bank International, but none evaluates deeply the test’s consistency (or inconsistency) with Congress’s intentions in creating the United States Court of Appeals for the Federal Circuit, as expressed as Congress promulgated and passed the Federal Courts Improvement Act of 1982. This article develops and presents that evaluation, against the backdrop of Congress’s passage of the 1952 Patent Act beforehand; its roughly contemporaneous passage of the 1980 Computer Software Copyright Act; and finally, its subsequent passage of the Leahy-Smith America Invents Act in 2011. The article concludes that the Court’s “inventive concept” test defies Congressional intent. The article also observes that, given*

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*the current force of the same public policy concerns that animated Congress in creating the Federal Circuit — namely, spurring innovation as a means to furthering domestic industrial strength and, correspondingly, national economic competitiveness — 40 years ago, the test's deviation from Congress's intentions deserves renewed focus by policymakers and even the Court.*

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## I. INTRODUCTION

In its 2012 decision in *Mayo Collaborative Services v. Prometheus Laboratories*,<sup>1</sup> the United States Supreme Court announced, through its “inventive concept” test for

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<sup>1</sup> *Mayo Collaborative Serv. v. Prometheus Lab’ys., Inc.*, 566 U.S. 66 (2012).

patent subject matter eligibility under 35 U.S.C. § 101, the latest iteration of its assertions over the years that “something more” is required for patent eligibility than what the statutes say.<sup>2</sup> Reading *Mayo* together with the Court’s opinion two years later in *Alice Corp. v. CLS Bank*, the “inventive concept” test purports to apply as the second of two steps in a § 101 subject matter eligibility analysis, with the first step purporting to test whether the patent claims at issue are “directed to” a “patent-ineligible concept”; i.e., the judge-made exceptions to patent eligibility of “laws of nature, natural phenomena, or abstract ideas.”<sup>3</sup> But since all patent claims — and indeed, all inventions — rest on such things, the “inventive concept” test is, arguably, the more significant of the two *Alice/Mayo* prongs. That test is this article’s focus.

Belief is widespread that the Supreme Court’s subject matter eligibility analysis, as embodied in *Alice/Mayo*, is deeply flawed.<sup>4</sup> Beyond further limiting the

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<sup>2</sup> See Giles S. Rich, *Laying the Ghost of the “Invention” Requirement*, 1 APLA Q. J. 26, 29–31 (1972) [hereinafter *Ghost*].

<sup>3</sup> *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 217–18 (2014) (citing *Mayo*, 566 U.S. at 71–78).

<sup>4</sup> David O. Taylor, *Patent Eligibility & Investment*, 42 CARDOZO L. REV. (forthcoming 2020) [hereinafter *Investment*] (“Numerous inventors, scientists, lawyers, lawyer groups, companies, industry groups, professors, and judges have decried this sea change in patent law.”); Burman Y. Mathis III, *The Search for the ‘Inventive Concept’ and Other Snipe Hunts*, IPWATCHDOG (Nov. 7, 2019), <https://www.ipwatchdog.com/2019/11/07/search-inventive-concept-snipe-hunts/id=115653/> [https://perma.cc/9EBW-5M77] (“The public has for far too long been subjected to one mindless decision after another that claims are ‘abstract’ because they lack an ‘inventive concept.’ However, every court decision that invalidates a patent based on the ‘inventive concept’ standard is garbage, and the judges and justices that believe they are constitutionally enabled to use such a standard (post 1952) are peddlers of snake oil.”); Jacob C. Jones et al., *Section 101 in 2019* 1 (Apr. 11, 2019), <https://www.swlaw.com/assets/pdf/publications>

ambit of patentable subject matter, it has seriously eroded the predictability of return on investment in innovation that could otherwise be protected by patent rights.<sup>5</sup>

Former Solicitor General Noel Francisco did a creditable job in late 2019 advancing the argument in connection with cert petitions in *Hikma Pharmaceuticals*

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/2019/09/10/Section101in2019.pdf [https://perma.cc/8JQB-QEQ2] (noting recent complaints regarding “current judicial formulation of Section 101”); Timothy J. Busse, *The Relativity of an Abstract Idea: A Practicable Approach to Alice’s Inventive Concept*, 16 HOUS. BUS. & TAX L.J. 252, 254 (2016) (“[T]his inventive concept standard is shrouded in ambiguity.”); see, e.g., David O. Taylor, *Confusing Patent Eligibility*, 84 TENN. L. REV. 157, 158 (2016) [hereinafter *Confusing*] (“Patent law—and in particular the law governing patent eligibility—is in a state of crisis. What started as a crisis of confidence in the patent system has now transformed into a crisis of confusion in the patent system.”); see also *id.* at 161 (“[T]he Supreme Court’s test for eligibility provides no objective guidelines. There are no objective guidelines, in particular, to help a patent examiner or judge determine what constitutes an abstract idea or an inventive concept.”); *id.* at 227 (“Beyond confusing relevant policies and doctrines, the current approach to determining patent eligibility lacks administrability. It is exceedingly difficult to understand whether a patent examiner or a court should find subject matter eligible for patenting given the overarching test for eligibility articulated by the Supreme Court. That test includes no objective guidance but leaves the determination of eligibility to the unconstrained, subjective opinion of a patent examiner or judge.”); Christopher M. Holman, *Patent Eligibility Post-Myriad: A Reinvigorated Judicial Wildcard of Uncertain Effect*, 82 GEO. WASH. L. REV. 1796, 1822 (2014).

<sup>5</sup> See, e.g., *Investment*, *supra* note 4, at 1 (citing survey results “reveal[ing] investors’ overwhelming belief that patent eligibility is an important consideration in investment decisionmaking, and that reduced patent eligibility makes it less likely their firms will invest in companies developing technology”).

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*USA v. Vanda Pharmaceuticals*,<sup>6</sup> *HP v. Berkheimer*,<sup>7</sup> and *Athena Diagnostics v. Mayo Collaborative Services*,<sup>8</sup> that the Supreme Court's judge-made patentable subject matter exceptions of laws of nature, natural phenomena, and abstract ideas actually are grounded in the statutory text and legislative history of section 101. To no avail. The Court denied cert in all these cases and has in every instance since, where a cert petitioner sought clarification or revision of "Supreme Court 101 law."<sup>9</sup> The Solicitor General did not argue that the judge-made exceptions themselves reflect or embody an unlawful usurpation of Congress's authority to define what is and what is not patent-eligible subject matter.<sup>10</sup> To do so would have been inconsistent with the theory advanced by the Solicitor General why the Supreme Court should revisit *Alice/Mayo*.<sup>11</sup> The Court, having treated the exceptions as legitimate statements of patent law for a century-and-a-half, not to mention four times within the past decade, was unlikely to have entertained such an argument

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<sup>6</sup> See Brief for the United States as Amicus Curiae at 21, *Hikma Pharm. USA Inc. v. Vanda Pharm.*, 887 F.3d 1117 (2019) (No. 18-817) [hereinafter *Hikma Amicus Brief*], [supremecourt.gov/DocketPDF/18/18-817/124768/20191206151701002\\_18-817%20-%20Hikma%20-%20CVSG%20-%20v28.pdf](https://supremecourt.gov/DocketPDF/18/18-817/124768/20191206151701002_18-817%20-%20Hikma%20-%20CVSG%20-%20v28.pdf) [https://perma.cc/7SER-P6A3].

<sup>7</sup> See Brief for the United States as Amicus Curiae at 17, *HP Inc. v. Berkheimer*, 890 F.3d 1369 (2019) (No. 18-415) [hereinafter *Berkheimer Amicus Brief*], [supremecourt.gov/DocketPDF/18/18-415/124825/20191206211755583\\_18-415%20-%20HP%20v.%20Berkheimer.pdf](https://supremecourt.gov/DocketPDF/18/18-415/124825/20191206211755583_18-415%20-%20HP%20v.%20Berkheimer.pdf) [https://perma.cc/RQX6-QBMK].

<sup>8</sup> See, e.g., *Hikma Amicus Brief*, *supra* note 6, at 22; see also, *Berkheimer Amicus Brief*, *supra* note 7, at 13.

<sup>9</sup> E.g., *Trading Techs. Int'l v. IGB LLC*, cert. denied, 589 U.S. \_\_\_\_; *ChargePoint, Inc. v. Semaconnect, Inc.*, cert. denied, 589 U.S. \_\_\_\_; *Chamberlain Group v. Techtronic Indus.*, cert. denied, 592 U.S. \_\_\_\_; *Morsa v. Iancu*, cert. denied, 592 U.S. \_\_\_\_; *Thomas v. Iancu*, cert. denied, 592 U.S. \_\_\_\_; *Primbas v. Iancu*, cert. denied, 592 U.S. \_\_\_\_.

<sup>10</sup> See *Hikma Amicus Brief*, *supra* note 6; *Berkheimer Amicus Brief*, *supra* note 7.

<sup>11</sup> See *Hikma Amicus Brief*, *supra* note 6; *Berkheimer Amicus Brief*, *supra* note 7.

even had the Solicitor General advanced it.<sup>12</sup> Nor is that argument advanced here — though it could be.<sup>13</sup>

Rather, this article tackles a different but closely related question: whether, setting aside the judge-made exceptions forming the first part of the *Alice/Mayo* test, the “something more” imposed by the Court as the second part is, itself, as stark a divergence from Congressional design as it appears to be. The article considers the problem from the perspective of Congressional action and, insofar as it can be discerned, Congressional intent. It travels from Congress’s passage of the 1952 Patent Act,<sup>14</sup> through a deep dive into Congress’s consideration of federal appellate reforms in the 1970s — in connection with each of which the idea of a patent-focused court was advanced, then rejected — through the creation of just that, with the Federal Circuit in 1982.

That journey reveals substantial evidence that Congress created the Federal Circuit not only because it viewed patents generally, and uniformity and predictability in patent law’s application in particular, as important to the national interest, but also to overcome particular patent law eligibility aberration wrought by the courts before the Federal Circuit’s creation: the “something more” once

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<sup>12</sup> Cf. Giles S. Rich, *Escaping the Tyranny of Words—Is Evolution in Legal Thinking Impossible*, 60 J. PAT. OFF. SOC’Y 271, 273 (1978) [hereinafter *Tyranny*] (expressing agreement that, “[i]t can hardly be denied that recent decisions of the Supreme Court in patent validity cases are illogical, contrary to the patent statute, and self-contradictory. However, it will get litigants nowhere to tell the lower federal courts that the Supreme Court has lost its marbles!”).

<sup>13</sup> That the Court in *Bilski v. Kappos*, 561 U.S. 593, 602–03 (2010), paid such homage to the principle that “courts ‘should not read into the patent laws limitations and conditions which the legislature has not expressed,’” 561 U.S. 593, 602–03 (2010) (quoting *Diamond v. Diehr*, 450 U.S. 175, 182 (1981)), while holding the claimed process invalid as an “abstract idea” barred not by any statutory text, but by judge-made precedent, see *infra* notes 183–186 and accompanying text, speaks for itself.

<sup>14</sup> Patent Act of 1952, ch. 950, 66 Stat. 792.

referred to as “invention,” and then more recently manifesting itself as “synergism.” (As related below, the Federal Circuit promptly relegated synergism to the dustbin of patent law.)

Congress’s killing of the “invention” and “synergism” species of the genus “something more” made reasonably clear that Congress intended the genus itself to die. As its adoption of the Patent Act of 1952 reflects, Congress viewed the judicial process as ill-equipped to determine on an ad hoc basis when a purported invention adds “enough” of “something more” to the store of useful knowledge to justify patenting, and instead limited the conditions for patenting to those set forth in sections 101, 102, 103, and 112.<sup>15</sup> When the Supreme Court’s articulation of the law of patentability strayed too far from the 1952 Act’s conception, Congress passed the Federal Courts Improvement Act of 1982 (“FCIA”)<sup>16</sup> to again wield its authority to bring the law back in line. Nothing Congress has done since, including enactment of the Leahy-Smith America Invents Act of 2011, indicates contrary intent.<sup>17</sup>

In view of that history, the article posits that Congress cannot have meant the Supreme Court to resuscitate a test requiring “something more” for patentability — in today’s Court cant, “inventive concept” — that effectively revives judicial constructs Congress attempted, on multiple occasions, to put to rest. It follows that, whatever else one can say about the Court’s “inventive concept” test, one certainly can say it runs afoul of Congressional intent.

Straightforward as this conclusion is, others that might follow from it are not. First, and obviously, congressional intent is one thing; congressional expression

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<sup>15</sup> See *Ghost*, *supra* note 2, at 35–36.

<sup>16</sup> Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, 96 Stat. 25 (1982).

<sup>17</sup> See *infra* note 179 and accompanying text.

is another. Nothing in the FCIA explicitly barred the Court from exercising the full range of appellate review powers over decisions of the Federal Circuit.<sup>18</sup> Indeed, nothing in the FCIA explicitly bars adoption of an “inventive concept” test.<sup>19</sup> That said, one would think the Court would, in the absence of a well-developed reason *under the Constitution* not to,<sup>20</sup> defer to Congress in establishing patent policy — especially where Congress spoke already, in replacing “invention” with section 103.<sup>21</sup>

In any event, it appears clear that the Court’s latest iteration of “something more” — the “inventive concept” test — flies in the face of what Congress wanted, as expressed in the 1952 Patent Act, the 1982 FCIA, or otherwise.

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<sup>18</sup> See 96 Stat. 25.

<sup>19</sup> *Id.*

<sup>20</sup> This article focuses on whether the Supreme Court’s recent subject matter eligibility decisions, in fact, contravene Congressional intent, not whether the Supreme Court constitutionally has the power to do so. For treatment of the latter question, see, e.g., Max S. Oppenheimer, *Patents 101: Patentable Subject Matter and Separation of Powers*, 15 VAND. J. ENT. & TECH. L. 1, 44 (2012); David J. Kappos, John R. Thomas & Randall J. Bluestone, *A Technological Contribution Requirement for Patentable Subject Matter: Supreme Court Precedent & Policy*, 6 NW. J. TECH. & INTELL. PROP. 152, 155–56 (2008); Thomas B. Nachbar, *Intellectual Property & Constitutional Norms*, 104 COLUM. L. REV. 272, 325–28 (2004); Edward C. Walterscheid, “*Within the Limits of the Constitutional Grant*”: *Constitutional Limitations on the Patent Power*, 9 J. INTELL. PROP. L. 291, 319–21 (2002); M.R. Spielman, *Some Constitutional Aspects of the Patent Statutes*, 36 J. PAT. OFF. SOC’Y 237, 238 (1954).

<sup>21</sup> See *infra* Part II.A.2.

**II. ATTEMPTING TO REDUCE DOCTRINAL  
UNCERTAINTY, ADVANCE PROTECTIONS FOR  
TECHNOLOGICAL INNOVATION, AND THEREBY  
PROMOTE NATIONAL ECONOMIC  
COMPETITIVENESS, CONGRESS CREATES THE  
FEDERAL CIRCUIT.**

***A. Overview: Judicial Imposition of an  
Amorphous "Invention" Requirement for  
Patentability, and Congress's Initial  
Attempt to Eliminate It***

**1. Early Patent Statutes and Judicial  
Skepticism of Patents**

Congress's right to create patent laws is enshrined in the Constitution, in Article I, Section 8, Clause 8. Congress created the first patent laws as early as 1790.<sup>22</sup> Thomas Jefferson was centrally involved in both the promulgation of the Patent Clause, early patent statute drafting, and implementation of that statute as a member of the initial Committee on patents.<sup>23</sup>

Critically, from the earliest, patents were viewed with suspicion in some quarters — including, initially, by Jefferson himself.<sup>24</sup> To some, patents were unattractively reminiscent of those granted by the English Crown — though those “patents” granted exclusive rights as a matter of royal prerogative, and for matters other than to induce innovation<sup>25</sup> as was the explicit purpose of the United States constitutional provision.<sup>26</sup> For others, the exclusivity conferred by the patent right emitted an anticompetitive

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<sup>22</sup> See *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 6 (1966).

<sup>23</sup> See *id.* at 6–7; see also H.R. REP. NO. 82-1923, at 4 (1952) [hereinafter 1952 Act Report].

<sup>24</sup> See *Graham*, 383 U.S. at 7–9.

<sup>25</sup> See *id.* at 7–8.

<sup>26</sup> U.S. CONST. art. I, § 8, cl. 8.

reek.<sup>27</sup> As we will see, this distrust found voice in Court decisions over the ensuing decades.<sup>28</sup>

In particular, two strains of judicial limitations to the patent statutes emerged.

One, notwithstanding their absence from 35 U.S.C. § 101 or any predecessor statute, the Court asserted the existence of three categories of exceptions to patentable subject matter: “laws of nature, physical phenomena, and abstract ideas.”<sup>29</sup>

Two, the Court developed the concept of “invention” — one found nowhere in the patent laws<sup>30</sup> — as a requirement for patentability, to differentiate deserving patent claims from those too close to, or based too much on, what is already known.<sup>31</sup> More specifically, the judiciary “sought to supplement the novelty and utility requirements . . . through the use of a variety of vague and often inconsistent concepts asserted . . . commonly[] as a judicial construction of ‘invention.’”<sup>32</sup> “The emerging doctrines required that a device contain a ‘new principle’ or exhibit a ‘new result or new function’ in order to be patented.”<sup>33</sup> “Though most . . . were couched in terms of an ‘invention’

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<sup>27</sup> See, e.g., Edmund W. Kitch, *Graham v. John Deere Co.: New Standards for Patents*, 49 J. PAT. OFF. SOC’Y 237, 249–50 (1967) (citing *Thompson v. Haight*, 23 Fed. Cas. 1040, 1041 (C.C.S.D.N.Y. 1826)).

<sup>28</sup> See *infra* Parts II.A.1 and II.B.

<sup>29</sup> See, e.g., *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980); *Bilski v. Kappos*, 561 U.S. 593, 601 (2010) (asserting that “the exceptions have defined the statute’s reach as a matter of statutory *stare decisis* going back 150 years”); Holman, *supra* note 4, at 1817–18 (noting the same and noting that articulation of the three exceptions has varied over time and often arose as dicta).

<sup>30</sup> *Confusing*, *supra* note 4, at 177.

<sup>31</sup> See generally Kitch, *supra* note 27, at 248–51.

<sup>32</sup> Timothy J. O’Hearn, *Patent Law Reform via the Federal Courts Improvement Act of 1982: The Transformation of Patentability Jurisprudence*, 17 AKRON L. REV. 453, 458 (1984) (citing Kitch, *supra* note 27, at 237).

<sup>33</sup> *Id.* (citing Kitch, *supra* note 27, at 262, 273).

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requirement during the[] entire 159 year period” between the Patent Acts of 1793 and 1952, “no one seemed to know for sure what the ‘invention’ standard meant.”<sup>34</sup> As Judge Learned Hand put it, the “invention” requirement was “as fugitive, impalpable, wayward, and vague a phantom as exists in the whole paraphernalia of legal concepts.”<sup>35</sup> As Judge Giles Rich put it:

The requirement for “invention” was at one and the same time a hard reality and a great mystery. Really, it was an absurdity. . . . If one asked for an explanation, the answer was, as the Supreme Court had pontifically announced in *McClain v. Ortmyer*, 141 U.S. 419, 427, in 1891, . . . [that] “[invention] cannot be defined.”<sup>36</sup>

Both these judge-made concepts created great uncertainty and unpredictability as to the ability to secure patents on the fruits of research and innovation. And both undermined the certainty and predictability that such patents would, if asserted in litigation, be enforced.

## 2. The 1952 Patent Act

The 1952 Patent Act marked the first comprehensive effort since 1897 to overhaul the patent laws.<sup>37</sup> For present purposes, two brief points are salient.

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<sup>34</sup> *Id.*

<sup>35</sup> *Harris v. Air King Prods.*, 183 F.2d 158, 162 (2d Cir. 1950).

<sup>36</sup> *Ghost*, *supra* note 2, at 30; Giles S. Rich, *Principles of Patentability*, 28 GEO. WASH. L. REV. 393, 403 (1960) [hereinafter *Principles*] (noting circularity of “invention” requirement); Mathis III, *supra* note 4 (“I invite any and all judges and justices to explain what an ‘inventive concept’ is. Man-up already. A string of 169 years of total failure is enough, isn’t it?”); *see also* David O. Taylor, *Patent Reform, Then & Now*, 2019 MICH. ST. L. REV. 431, 438–39 (2017) [hereinafter *Then & Now*] (recounting frustration with “invention” requirement’s vagueness).

<sup>37</sup> *See generally Confusing*, *supra* note 4, at 164–70 (summarizing patent statute history).

First, the 1952 Patent Act’s adoption did not substantially change the statutory law regarding patent-eligible subject matter.<sup>38</sup> The word “process” replaced the word “art” to avoid confusion with the latter term’s use elsewhere.<sup>39</sup> The legislative history made clear Congress’s view that, as a matter of section 101 subject matter eligibility, “anything under the sun that is made by man” could be patented.<sup>40</sup>

Second, the 1952 Act sought to clarify — and codify — how much of “something more,” beyond the prior art, is required for patentability. The judge-made version of this concept, referred to as “invention” as noted above,<sup>41</sup> had been “expressed in a large variety of ways in decisions of the courts and in writings.”<sup>42</sup> In the hope that doing so would “have a stabilizing effect and minimize great departures which have appeared in some cases,”<sup>43</sup> the 1952 Act replaced that judicial construct with a new section 103, “Conditions for patentability; non-obviousness subject

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<sup>38</sup> See 1952 Act Report, *supra* note 23, at 6.

<sup>39</sup> See *id.*

<sup>40</sup> See *id.*; see also *Patent Law Codification and Revision: Hearings Before Subcomm. No. 3 of the Comm. on the Judiciary*, 82d Cong. 37 (1951) (statement of P.J. Federico) [hereinafter 1952 Act Hearings].

<sup>41</sup> See *supra* notes 31–36 and accompanying text; 1952 Act Report, *supra* note 23, at 5 (“[T]here are a number of changes in substantive statutory law. . . . The major changes or innovations in the title consist of incorporating a requirement for invention in § 103 . . .”); *id.* at 7; *Principles*, *supra* note 36, at 405; *Confusing*, *supra* note 4, at 171; O’Hearn, *supra* note 32, at 459 (citing 1952 Act Report); see also *Tyranny*, *supra* note 12, at 287; Robert Desmond, Comment, *Nothing Seems Obvious to the Court of Appeals for the Federal Circuit: The Federal Circuit, Unchecked by the Supreme Court, Transforms the Standard of Obviousness Under the Patent Law*, 26 LOY. L.A. L. REV. 455, 469–70 (1993) (“Congress sharply curtailed the increasingly subjective, anti-patent sympathies of the Supreme Court with the Patent Act of 1952.”).

<sup>42</sup> 1952 Act Report, *supra* note 23, at 7.

<sup>43</sup> *Id.*; see also 1952 Act Hearings, *supra* note 40, at 38 (statement of P.J. Federico); Holman, *supra* note 4, at 1806–07.

matter,” with the question becoming whether the differences between the claimed invention and the prior art are such that the claimed invention as a whole would be obvious to a person having ordinary skill in the pertinent art.<sup>44</sup> If yes, then even were the claimed invention new, it did not add “enough” of “something more” to permit patenting. If no, then assuming the other statutory conditions for patenting had been met, the patent would be granted.<sup>45</sup>

***B. Supreme Court Recalcitrance: Graham (1966), Adams (1966), Anderson’s-Black Rock (1969).***

Yet, notwithstanding passage of the 1952 Act, the Court continued to add its own requirements for patentability to those crafted by Congress.

The most famous case in this line, and the first to interpret new section 103, was the Court’s 1966 decision in *Graham v. John Deere Co.*<sup>46</sup> There, the Court acknowledged that “the statutory emphasis on ‘non-obviousness’ rather than ‘invention’ was intended to correct the wide variance of interpretation of the less definite . . . ‘invention’ standard.”<sup>47</sup> Yet, in holding invalid patent issued on claimed inventions in agricultural plow and insecticide sprayer technology, the Court asserted that the statutory nonobviousness requirement of section 103 was meant to codify the “prior judge-made requirement of ‘invention’ first

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<sup>44</sup> 35 U.S.C. § 103; see generally P.J. Federico, *Origins of Section 103*, 5 APLA Q. J. 87 (1977).

<sup>45</sup> *Ghost*, *supra* note 2, at 29; *Then & Now*, *supra* note 36, at 474; e.g., Giles S. Rich, *The Vague Concept of Invention as Replaced by Sec. 103 of the 1952 Patent Act*, 46 J. PAT. OFF. SOC’Y 855, 866 (1964). But see George Edwards, *That Clumsy Word “Nonobviousness”!*, 60 J. PAT. OFF. SOC’Y 3, 7–8 (1978) (arguing that § 103 did not entirely supplant pre-existing “something more” standards established by case law).

<sup>46</sup> *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1 (1966).

<sup>47</sup> O’Hearn, *supra* note 32, at 461; *Ghost*, *supra* note 2, at 29–30.

developed in *Hotchkiss v. Greenwood*,” an 1850 Court decision.<sup>48</sup>

This assertion laid the groundwork for future deviation from congressional intent. That the Court viewed section 103 as consistent with *Hotchkiss* is not problematic, so far as it goes. There was nothing inherently wrong with asserting that Congress and the Court had traveled different paths to arrive at the same place. The problem is that this treatment of section 103 left open the door for the Court to assert in future cases that the determination of whether “enough” of “something more” had been added was determined by *its* path leading up to passage of the 1952 Act, rather than merely the language of the Act itself.<sup>49</sup> And as we shall see,<sup>50</sup> the Court has since walked through that door and well down the same road — notwithstanding that in the companion case to *Graham*, *United States v. Adams*,<sup>51</sup> the Court upheld the validity of a wet battery patent by exclusive reference to section 103’s nonobvious requirement, without reference to *Hotchkiss*.<sup>52</sup>

The Court somewhat clarified its obstinacy against Congress’s new nonobviousness standard in its 1969 opinion in *Anderson’s-Black Rock v. Pavement Salvage Co.*<sup>53</sup> There, in an opinion by long-serving Justice William O. Douglas, the Court held invalid as obvious a claimed invention in

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<sup>48</sup> O’Hearn, *supra* note 32, at 461 (citing *Hotchkiss v. Greenwood*, 52 U.S. 248 (1850)); *see generally* Kitch, *supra* note 27, at 255 (discussing at length *Hotchkiss* and its historical context).

<sup>49</sup> *Ghost*, *supra* note 2, at 29; *see also* Kitch, *supra* note 27, at 299 (“The myth of *Hotchkiss v. Greenwood* seems to be part of an even larger myth in patent law—the myth that invention decisions differ only on the ‘facts’ or the ‘attitude’ of the court, but that they all embody the same law. The courts ought not permit this myth to overtake *Deere*.”).

<sup>50</sup> *See infra* Part IV.B.

<sup>51</sup> *United States v. Adams*, 383 U.S. 39 (1966).

<sup>52</sup> *See id.*

<sup>53</sup> *Anderson’s Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57 (1969).

asphalt paving machinery technology.<sup>54</sup> While paying lip service to the statutory standard, the Court rested its decision on the pre-1952 Act “invention” standard, citing both *Graham*’s invocation of *Hotchkiss* as establishing the section 103 standard, as well as its own 1950 opinion in *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*,<sup>55</sup> in which the Court held invalid for lack of “invention” a patent on a device for efficiently unloading groceries before a cashier.<sup>56</sup> Moreover, Justice Douglas, who had expressed his contempt for patentability of mere “gadgets” as opposed to “invention[s] . . . serv[ing] the ends of science — . . . push[ing] back the frontiers of chemistry, physics, and the like” in a concurring opinion in *Great Atlantic*,<sup>57</sup> planted the seed for a new articulation — “synergy” — of the old, extra-statutory patentability standard as applied to combinations of old elements: “A combination of elements may result in an effect greater than the sum of the several effects taken separately. No such synergistic result is argued here.”<sup>58</sup>

### ***C. Early 1970s Congressional Efforts at Appellate Court Reform***

Meanwhile, efforts were underway to evaluate the functioning of the federal court system. These efforts led to increasing scrutiny of the administration of patent law as the 1970s unfolded.

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<sup>54</sup> *Id.*

<sup>55</sup> *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147 (1950).

<sup>56</sup> *Id.*

<sup>57</sup> See Robert P. Merges, *One Hundred Years of Solicitude: Intellectual Property Law, 1900-2000*, 88 CALIF. L. REV. 2187, 2229 (2000) (“[I]t was [Justice Douglas’s] wont in patent cases generally to find the patent invalid.”).

<sup>58</sup> *Anderson’s Black Rock*, 396 U.S. at 60.

## 1. The Freund Committee

In 1967, Congress created the Federal Judicial Center<sup>59</sup> to “conduct research and study . . . the operation of the courts of the United States.”<sup>60</sup> The Center appointed a committee, headed by Harvard Law Professor Paul Freund, which issued its report in December 1972.<sup>61</sup> Focusing on managing the Supreme Court’s workload, the committee primarily recommended creation of a national court of appeals lodged between the regional circuit courts and the Supreme Court, as well as changes in Supreme Court case review practices and Court operations.<sup>62</sup>

Significantly, for present purposes, the Freund Committee considered, but rejected, the idea of creating new federal review tribunals devoted to “specialties such as taxation, labor law, or, more broadly, administrative law.”<sup>63</sup> As the Committee saw it, “the more specialized the appellate tribunal the greater the risks,” because a narrow range of review might narrow judicial perspective, because specialized appellate panels might resolve matters inconsistently, because specialized appellate judges might vote in blocs, and because their appointment might become politicized over a single set of issues.<sup>64</sup>

Although the Committee’s report did not address the particular prospect of a patent-focused appellate court, scholars see the Committee’s work as launching a legislative

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<sup>59</sup> Act of Dec. 20, 1967, Pub. L. No. 90-219, 81 Stat. 665.

<sup>60</sup> See Federal Judicial Center, Report of the Study Group on the Caseload of the Supreme Court, 57 F.R.D. 573, 573 (1972) [hereinafter Freund Report]; see also O’Hearn, *supra* note 32, at 453 (citing 28 U.S.C. § 620(a) (1976)).

<sup>61</sup> O’Hearn, *supra* note 32, at 453–54 (citing Freund Report at 595).

<sup>62</sup> See Freund Report, *supra* note 60, at 590–93.

<sup>63</sup> Freund Report, *supra* note 60, at 585.

<sup>64</sup> See *id.*

evaluative process that culminated in creation of the Federal Circuit ten years later.<sup>65</sup>

## 2. The Hruska Commission

In late 1972, Congress created the Commission on Revision of the Federal Court Appellate System,<sup>66</sup> which came to be known informally as the “Hruska Commission” after its chair, Senator Roman Hruska of Nebraska. The Commission issued its report in June 1975.<sup>67</sup> Like the Freund report, the Commission report recommended creation of a new national court of appeals — albeit with differences from that recommended by the Freund Committee — which, again, Congress ultimately did not adopt.<sup>68</sup> Unlike the Freund Committee, which came at its recommendation from the perspective of advancing Supreme Court functionality, the Hruska Commission reached its recommendation by focusing on the federal intermediate appellate courts.<sup>69</sup>

That focus, in turn, generated intense scrutiny of the prospect of creating new, subject matter-focused intermediate appellate courts. Indeed, unlike the Freund Committee, the Hruska Commission “extensively discuss[ed]” the prospect of creating a “specialized” patent appeal court — something the Commission noted had been

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<sup>65</sup> See Harold C. Petrowitz, *Federal Court Reform: The Federal Courts Improvement Act of 1982—and Beyond*, 32 AM. U. L. REV. 543, 544 (1983); see also Charles Adams, *The Court of Appeals for the Federal Circuit: More Than a National Patent Court*, 49 MO. L. REV. 43, 56, 56 n.101 (1984); O’Hearn, *supra* note 32, at 454.

<sup>66</sup> O’Hearn, *supra* note 32, at 454.

<sup>67</sup> Commission on Revision of the Federal Court Appellate System Structure and Internal Procedures: Recommendations for Change 67 F.R.D. 195, 234 (1975) [hereinafter Hruska Report].

<sup>68</sup> Compare *id.* at 199–200 with Freund Report, *supra* note 60, at 590–93.

<sup>69</sup> Petrowitz, *supra* note 65, at 545–56.

proposed periodically over at least the preceding quarter century.<sup>70</sup> The Commission’s final report ruled out the prospect, not only as to patent appeals, but also as to tax, administrative, environmental, and criminal appeals.<sup>71</sup>

That the Commission rejected the concept of a patent-focused appellate court does not detract from the weight that patent law — and, in particular, uncertainty in its application — carried in the Commission’s deliberations.<sup>72</sup> The Commission had retained patent law consultants James Gambrell and Donald Dunner,<sup>73</sup> and the Commission’s final report noted the consultants’ confirmation of the “particularly acute” problem of inconsistent application of the patent law among the regional circuits, particularly as to patent validity,<sup>74</sup> leading to a disparity of results and egregious forum shopping.<sup>75</sup> While asserting that the “Supreme Court has set, and can be expected to continue to set, national policy in the area of patent law as in other areas of federal law,” the Commission also noted the “widely acknowledged” “need for more appellate supervision” in an

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<sup>70</sup> Hruska Report, *supra* note 67, at 234.

<sup>71</sup> *Id.* (The Commission did so based on its perception that such a court might produce judicial “tunnel vision”; corresponding diminution in the influence specialist judges might have on regional circuit court reasoning; loss of regional court influence; undue judicial influence on policy within the “specialized” area; a disincentive to articulate judicial reasoning in those decisions; interest group capture; divergence of opinion within the patent bar; the preferences of the Seventh Circuit — which at the time bore the heaviest patent caseload — for retaining appellate jurisdiction in the regional circuit courts; and that the broader problems the Commission sought to address would not be remedied by the creation of “specialized” appellate tribunals); *id.* at 345–46.

<sup>72</sup> *Id.* at 217.

<sup>73</sup> See James B. Gambrell & Donald R. Dunner, *Study of the Problems, Consequences and Remedies in the Appellate Review of Decisions Involving Patent-Related Issues*, 216 BNA’s Patent, Trademark & Copyright Journal 1 (Feb. 20, 1975).

<sup>74</sup> Hruska Report, *supra* note 67, at 370.

<sup>75</sup> *Id.* at 219–20, 361, 369–71.

area<sup>76</sup> “which do[es] not and probably should not command extensive attention from the Supreme Court.”<sup>77</sup> The Commission reported the consultants’ views that a new appellate court was needed to help “eliminate or at least minimize the attitudinal aberrations” confronting those attempting to predict patent law’s application.<sup>78</sup>

The Commission also reported the consultants’ views that the Supreme Court’s few decisions in “critical patent law areas, e.g., obviousness,” which the Commission considered conceptually the same as “invention,”<sup>79</sup> had “done little to provide the circuit courts with meaningful guidance.”<sup>80</sup>

The Commission put forth this summary after hearing testimony from Gambrell and Dunner, the upshot of which was that the consultants probably preferred a patent-focused appellate court to a national appeals court, but, given concerns that had been asserted regarding the former, were amenable to the latter in preference to no change at all.<sup>81</sup> The consultants suggested that enough binding decisions applying *Graham vs. John Deere* likely would ameliorate the anti-patent leanings of some courts.<sup>82</sup> They

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<sup>76</sup> The Commission made this same comment with respect to tax law, an area the Commission likened to patent law for purposes of analysis throughout its report.

<sup>77</sup> Hruska Report, *supra* note 67, at 241.

<sup>78</sup> *Id.* at 361; *see also id.* at 370–71.

<sup>79</sup> *Id.* at 228.

<sup>80</sup> *Id.* at 370–71.

<sup>81</sup> *See Hearing on S. 21 and S. 537 Before the Subcomm. on Cts. of the Comm. on the Judiciary, 97th Cong. 244* (May 18, 1981) [hereinafter *May 1981 Senate Hearings*] (Dunner, testifying about proposed Federal Circuit, stating he would not prefer a national court of appeals instead and, “[a]side from the fact that it is my personal belief that that legislation [to create a national court of appeals] is unlikely from my own reading of the situation to come about, at the time we were consultants to the Hruska Commission, Professor Gambrell and I, we never had before us an imaginative bill such as this”).

<sup>82</sup> *See May 1981 Senate Hearings, supra* note 81, at 101.

characterized *Graham* as a well-crafted opinion but acknowledged that some appellate courts and even the Supreme Court itself sometimes didn't follow it.<sup>83</sup> The implication was that if only enough interpretive opinions could be developed to offer true guidance, the law would be applied not only consistently but correctly.

**D. *Carter-Era Legislative Efforts Intensify Focus on Certainty as a Driver of Innovation, Industrial Strength, and National Competitiveness.***

By the late 1970s, the policy impetus that prompted Congress to commission the Freund Committee's and Hruska Commission's work — appellate reform — joined together with a new policy impetus that neither had considered, seriously or at all: the need to improve the nation's industrial strength and competitiveness, including promoting innovation, as means to combat the then-current national economic malaise.<sup>84</sup>

As a matter of appellate reform, the Hruska Commission's recommendations had fared no better than the Freund Committee's, with Congress unwilling to create a national court of appeals. "Their work," however, "raised awareness among Washington policy makers that a major problem existed with respect to U.S. patent law jurisprudence."<sup>85</sup>

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<sup>83</sup> See *id.* at 256, 258.

<sup>84</sup> See Daniel J. Meador, *Origin of the Federal Circuit: A Personal Account*, 41 AM. U. L. REV. 581, 615 (1992); see also *May 1981 Senate Hearings*, *supra* note 81, at 244 (Dunner: "[S]ince the Hruska Commission time we have had a crisis in innovation in the United States, one which led to the appointment of a Domestic Policy Review 2 years ago.").

<sup>85</sup> George C. Beighley, Jr., *The Court of Appeals for the Federal Circuit: Has It Fulfilled Congressional Expectations?*, 21 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 671, 687 (2011).

By 1979, several intervening developments had prompted Congress to consider vestiges of those earlier proposals as a set of new proposals which morphed into the form ultimately adopted as the FCIA in 1982. These included, centrally, a proposal through the Department of Justice<sup>86</sup> (authored by professor Daniel J. Meador)<sup>87</sup> that a new intermediate appellate court be established on the same level as the regional circuits, to be formed by merging the Court of Claims and the Court of Customs and Patent Appeals (CCPA), and having the appellate jurisdiction of those courts as well as appellate jurisdiction in civil tax, environmental, and patent cases.<sup>88</sup> Additionally, the Carter Administration had convened a domestic policy review on industrial innovation, which concluded that patent reform was necessary to maintain the United States's international competitiveness in technological advances.<sup>89</sup> In February 1979, President Carter transmitted a message to Congress to that same effect.<sup>90</sup>

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<sup>86</sup> Daniel J. Meador, U.S. Dept. of Just., Office for Improvements in the Admin. of Just., *A Proposal to Improve the Federal Appellate System* (July 21, 1978) reprinted in 389 Pat. Trademark & Copyright J. (BNA) D-1 (August 3, 1978) [hereinafter *Meador Proposal*].

<sup>87</sup> *Federal Courts Improvement Act of 1979: Addendum to Hearings on S. 677 and S. 678 Before the Subcomm. on Improvements in Judicial Machinery of the Comm. on the Judiciary*, 96th Cong. 11 (1979) [hereinafter *1979 Act Hearings*].

<sup>88</sup> Petrowitz, *supra* note 65, at 550; *Meador Proposal*, *supra* note 86, at D-6; see also Charles R. Haworth & Daniel J. Meador, *A Proposed New Federal Intermediate Appellate Court*, 12 U. MICH. J.L. REFORM 201 (1979).

<sup>89</sup> Linda Le, *Entrepreneurship and Small Business Policies under the Presidential Administrations of Presidents Carter, Reagan, Bush and Clinton: 1977 to 2001*, in PUBLIC POLICY IN AN ENTREPRENEURIAL ECONOMY: CREATING THE CONDITIONS FOR BUSINESS GROWTH 38 (Zoltan J. Acs & Roger R. Stough eds., 2008).

<sup>90</sup> Jimmy Carter, Federal Civil Justice System Message to the Congress on Proposed Legislation (February 27, 1979) (transcript available at <https://www.presidency.ucsb.edu/documents/federal-civil-justice-system-message-the-congress-proposed-legislation>).

Through Senator Edward Kennedy, the Carter Administration on March 15, 1979, introduced S. 677, entitled the Judicial Improvement Act of 1979, which proposed “creat[ion] of a new intermediate appellate court to be known as the U.S. Court of Appeals for the Federal Circuit.”<sup>91</sup> Beyond the appellate jurisdiction inherited from the Court of Claims and the CCPA, the Federal Circuit would, under S. 677, have jurisdiction over not only patent, but also trademark and unfair competition appeals.<sup>92</sup> That same day, Senator Kennedy and Senator DeConcini separately introduced S. 678, the Federal Courts Improvement Act of 1979, which made substantially the same proposals with the addition of creating a new U.S. Court of Tax Appeals.<sup>93</sup>

The Judiciary Committee’s Subcommittee on Improvements in Judicial Machinery heard testimony on these bills.<sup>94</sup> As in testimony before the Hruska Commission, proponents of a new patent-focused appellate court argued the evils of uncertainty in appellate patent law adjudication. Before the Hruska Commission, proponents had focused on the uncertainty wrought by conflicted regional circuit dispositions and attitudes, and argued that this uncertainty created a drag on the patent system by promoting forum-shopping.<sup>95</sup> Before the Subcommittee, proponents made these same arguments, but added the argument that this uncertainty disincentivized research and innovation, and thereby operated to the detriment of American industry generally.<sup>96</sup>

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<sup>91</sup> *1979 Act Hearings*, *supra* note 87, at 28 (statement of Daniel J. Meador).

<sup>92</sup> S. 677, 96th Cong. (1979).

<sup>93</sup> *Id.*

<sup>94</sup> *1979 Act Hearings*, *supra* note 87.

<sup>95</sup> *See supra* notes 72–83 and accompanying text.

<sup>96</sup> *E.g.*, *id.* at 45 (statement of Daniel J. Meador).

Dunner testified:

[I]t is the informed judgment of many that numerous companies have cut back their patent programs as too expensive. Many have cut back their R&D as not providing any return on investment.

During the recent deliberations of the Subcommittee on Patent Policy of the Advisory Committee on Industrial Innovation of President Carter's Domestic Policy Review, members of the subcommittee related the pessimism that infects the decisionmaking process in the U.S. industrial environment: No right to exclude competitors can be obtained in much less than about 4 years or for less than a hundred thousand dollars, and the odds of success are no better than 50 percent. Given these conditions, much thought is given to spending money on business investments other than patent litigation as providing a better return on investment. The mood is one which permeates not only the decision on a particular plagiarism, but the boardroom when the R&D department budget comes up and the anticipated return from prior research is seen to be at best a possible dream.

While it is difficult to quantify the extent to which frustration over the short-comings of the patent system has deterred investment in R&D, it is clear that R&D is per se a high-risk investment, with cost overruns more the rule than the exception. Our society is becoming more security conscious at all levels, including the board or budget committee room. When decisions are being made, the gambler's spirit is low and any minor cold water on a request for research-with its cost and ROI uncertain-is apt to militate against a favorable research decision. And this is particularly so given the fact that any ROI realized is apt to come well after the present budget committee members have hopefully moved on to other positions. Such decisionmakers need a more immediate and certain return on their dollar expenditure than is frequently provided by the R&D dollar.

R&D and innovation are not popularly placed to spend money when a safe savings and loan is paying over 8 percent. What does it take to attract money from safe, high-yield investments into R&D? In my view and that of the DPR Patent Policy Subcommittee, it takes at least a modicum of competitive safety and high yield. Moreover, it is my view, again shared by the DPR Patent Policy Subcommittee, that **the uniformity and reliability made possible by a centralized patent court would contribute meaningfully to the achievement of those conditions, their perception by industrial decisionmakers and the inevitable improvement in the presently unfavorable climate pervading industrial innovation in the United States.** That same uniformity and reliability will inevitably result in a reduction of forum shopping and, perhaps more significantly, the increased predictability of outcome would inevitably reduce the amount and expense of litigation in the patent field.<sup>97</sup>

Harry Manbeck of General Electric testified:

Significant economic decisions are made from time to time based upon the existence or the lack of patent coverage or on the law as it may apply to the administration of patents. The businessman wants to know if a patent is likely to be sustained or overturned and not that his chances are at one percentage level if the trial occurs in one circuit and at another percentage level if it occurs in another circuit. **Patents, in my judgement [sic], are a stimulus to the innovative process, which includes not only investment in research and development but also a far greater investment in facilities for producing and distributing the goods. Certainly, it is important to those who must make these investment decisions that we decrease unnecessary uncertainties in the patent system.**<sup>98</sup>

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<sup>97</sup> *Id.* at 56–57 (emphasis added); *see also id.* at 61.

<sup>98</sup> *Id.* at 67–68 (emphasis added).

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Richard Witte of Procter & Gamble, speaking for the Industrial Research Institute, noted IRI's conclusion:

"Continued industrial success of the U.S. requires the incentives of the patent system, not only to encourage the necessary investment of capital and effort in research and for the commercialization of inventions so that society can enjoy their benefits, but also to encourage the disclosure of inventive technology."

[IRI] also identified several areas for improvement. Among these were the need for greater certainty, uniformity, and speed when patents are asserted in the U.S. court system. To achieve these objectives, the IRI supported the concept of a single court of patent appeals for all patent litigation.<sup>99</sup>

And Homer Blair of Itek Corporation testified:

My management wants to get opinions from me as to what is the value of these patents that we are prepared to pay money to get a license under with the know-how involved. It isn't a very good answer to say, well, it depends on where somebody is going to file a patent suit.<sup>100</sup>

Questions of "obviousness" or "invention" continued to serve as the witnesses' primary example of conflicted, and therefore uncertain, regional circuit application of patent law. Dunner testified, for example:

[C]ontrary to the view of some that there exists no plethora of actual conflicts in the classical sense between the various Federal courts of appeal, there has been a wide variety of views among the circuits as to the nature of the test to be applied to determine whether patentable invention exists. **By way of example, some courts insist that "synergism" must**

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<sup>99</sup> *Id.* at 71.

<sup>100</sup> *Id.* at 65.

**be present before an invention rises to the level of patentability; other courts reject this requirement. Some courts impose a special test of patentability applicable to so-called “combination” inventions; other courts recognize that all inventions are “combinations” of old elements and that there can, accordingly, be no such special test. And so on.**

The consequences of the foregoing are not susceptible to ready documentation. Certain consequences, however, are easily discernible without documentation and common to the experience of most practicing patent lawyers. With the inability of lawyers to advise their clients reliably in a given fact situation and with the courts under even the most favorable of reported surveys holding patents valid in no more than approximately 50 percent of the litigated cases, the necessary end result is that litigation-conventionally costing each side a quarter of a million dollars or more in a typical patent case—obtains in abundance. Moreover, businessmen of ordinarily high ethics dishonor patents (as the courts so often do) and indulge in the self-help of compulsory license by infringement-plus-a-long-drawn-out litigation, secure in the knowledge that courts hardly ever find infringement to be deliberate since they are deemed by most to be public-policy-favored tests of the validity of presumptively odious patent monopolies.<sup>101</sup>

Even an opponent of the measure, patent practitioner George Whitney, acknowledged that, as of the time of the Hruska Commission, obviousness was not being adjudicated consistently.<sup>102</sup> Dunner characterized these conflicts as “primarily attitudinal” in nature, testifying, “there is no question that the attitudes of the court of appeals [toward patents] vary from circuit to circuit.”<sup>103</sup>

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<sup>101</sup> *Id.* at 56 (emphasis added); *see also id.* at 61; *id.* at 64, 66 (statement of Homer O. Blair).

<sup>102</sup> *Id.* at 78; *see also id.* at 92 (statement of John O. Tramonte) (“Only one instance of conflicting patent decisions has been identified.”).

<sup>103</sup> *Id.* at 61.

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Subcommittee witnesses generally assumed, it appears, that while the Supreme Court *could* review patent cases from the Federal Circuit if it chose,<sup>104</sup> it would follow past practice and not review many.<sup>105</sup> The Subcommittee also heard some criticism that the Court's past decisions had been inconsistent and fraught with "rhetorical flourishes" rather than offering meaningful guidance.<sup>106</sup> According to Dunner, "[t]he number of cases the Supreme Court deals with in the patent area is miniscule and, worst of all, in those few cases where the Supreme Court has granted certiorari it has spoken rhetorically, and, unfortunately, it has created more conflict than it has solved."<sup>107</sup> According to Dunner, "[i]n 1952, there was a general codification and revision of the patent laws. The drafters of that act felt that — or hoped that — that act would cure the many disparities in judicial approaches to patent problems. Unfortunately, it has not cured that problem."<sup>108</sup>

Effective June 21, 1979, the Judiciary Committee reported out a new bill, S. 1477, which effected modifications to the earlier bills' proposals, including eliminating appellate jurisdiction in environmental and trademark cases,<sup>109</sup> though preserving it in patent cases as well as tax cases.<sup>110</sup> The Committee report reflected broad acceptance of the "special need for national uniformity" in patent appeals<sup>111</sup> — not merely because its absence produced systemic inefficiencies due to forum shopping, and not merely because uncertain outcomes discouraged investment

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<sup>104</sup> *Id.* at 56 (statement of Donald R. Dunner); *id.* at 64 (statement of Homer O. Blair).

<sup>105</sup> *Id.* at 3 (statement of Erwin N. Griswold).

<sup>106</sup> *Id.* at 56, 58, 61 (statement of Donald R. Dunner).

<sup>107</sup> *Id.* at 61.

<sup>108</sup> *Id.*

<sup>109</sup> S. REP. NO. 96-304, at 10 (1979).

<sup>110</sup> Petrowitz, *supra* note 65, at 552; S. REP. NO. 96-304, at 2, 16 (1979).

<sup>111</sup> S. REP. NO. 96-304, at 10 (1979).

in innovation, but also because the absence of predictable patent protection impaired national competitiveness:

The establishment of the Court of Appeals for the Federal Circuit also provides a forum that will increase doctrinal stability in the field of patent law. Based on the evidence it had compiled, the Hruska Commission singled out patent law as an area in which the application of the law to the facts of a case often produces different outcomes in different courtrooms in substantially similar cases. Furthermore, in a Commission survey of practitioners, the patent bar indicated that uncertainty created by the lack of national law precedent was a significant problem, and the Commission singled out patent law as an area in which widespread forum-shopping is particularly acute.

Although the proposal to centralize patent appeals in a single court is not without its critics, the issue was amply addressed in the hearings held earlier this year on S. 677 and S. 678. The great weight of the testimony, which included statements from distinguished jurists, patent practitioners, and representatives of major technologically-oriented business enterprises, confirmed the findings of the Hruska Commission that patent cases are inconsistently adjudicated. The testimony received by the committee also supported the basic objective of providing for uniformity of doctrinal development in the patent area. The committee found particularly persuasive the testimony of the users of the patent system. For example, Industrial Research Institute is a private, non-profit corporation with a membership of approximately 250 industrial companies that conduct a major portion of the industrial research and development carried on in the United States. It polled its membership and found them overwhelmingly in favor of centralizing patent appeals in a single court.

The creation of the Court of Appeals for the Federal Circuit will produce desirable uniformity in this area of the law. Such uniformity will reduce the forum-

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shopping that is common to patent litigation. The Hruska Commission's patent law consultants, James B. Gambrell and Donald R. Dunner, concluded that forum-shopping on the scale that occurs in patent law increases the cost of litigation and "demeans the entire judicial process and the patent system as well." Removing the incentive to forum-shop thus will reduce costs to litigants and will also be a positive improvement from the standpoint of the judicial system. Moreover, as the new court brings uniformity to this field of law, the number of appeals resulting from attempts to obtain different rulings on disputed legal points can be expected to decrease.

Likewise, uniformity in the law will be a significant improvement from the standpoint of the businesses that rely on the patent system. Business planning will become easier as more stable and predictable law is introduced. This can have important ramifications upon our economy as a whole.<sup>112</sup>

The Committee went on to report Manbeck's testimony, above, in support of the general proposition that "stability in the patent law has an effect on technological innovation."<sup>113</sup>

A House counterpart, H.R. 3806, passed on September 15, 1980, and the House and Senate reached agreement on a compromise bill, H.R. 4482, in substantially the same form.<sup>114</sup>

The House Judiciary Committee's September 5, 1980 report on H.R. 3806 echoed the Senate Judiciary Committee's views on S. 1477 set forth above, but further emphasized the goal of fostering innovation as serving the national interest, as well as the centrality of uniformity and predictability in application of the patent law to achieving that goal. Noting, among other things, the views of the

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<sup>112</sup> S. REP. NO. 96-304, at 11-12 (1979).

<sup>113</sup> *Id.* at 12.

<sup>114</sup> Petrowitz, *supra* note 65, at 552, 552 n.81.

Hruska Commission's patent law consultants<sup>115</sup> and the Industrial Research Institute in favor of the Federal Circuit's creation,<sup>116</sup> the Committee reported:

Presently, there are three possible forums for patent litigation: the Court of Customs and Patent Appeals a federal district court, or the Court of Claims. Although these multiple avenues of review do result in some actual unresolved conflicts in patent law, **the primary problem in this area is uncertainty which results from inconsistent application of the law to the facts of an individual case. Even in circumstances in which there is no conflict as to the actual rule of law, the courts take such a great variety of approaches and attitudes toward the patent system that the application of the law to the facts of an individual case produces unevenness in the administration of the patent law. . . .** It is particularly difficult for small businesses to make useful and knowledgeable investment decisions where patents are involved when they fear a patent may be tied up for years in expensive litigation and when the standard of patentability varies from circuit to circuit. **A single court of appeals for patent cases will promote certainty where it is lacking to a significant degree . . . .**

Similarly, the uniformity in the law that will result from the centralization of patent appeals in a single court will be a significant improvement from the standpoint of the industries and businesses that rely on the patent system. Business planning becomes easier as more stable and predictable patent law is introduced. Patents have thus serve[d] as a stimulus to

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<sup>115</sup> H.R. REP. NO. 96-1300, at 19 (1980).

<sup>116</sup> *Id.* at 20.

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the innovative process. This can have important positive ramifications for the nation's economy.<sup>117</sup>

The Committee, too, assumed that the Supreme Court would continue to handle patent cases infrequently.<sup>118</sup>

Due to an amendment unrelated to patent law, the bill was withdrawn, and no further action was taken before the Ninety-Sixth Congress concluded.<sup>119</sup>

***E. The 1982 Federal Courts Improvement Act***

The White House changing hands with the 1980 presidential election, the Ninety-Seventh Congress continued to consider the Federal Circuit creation proposal in substantially the same form the Ninety-Sixth had left it. On January 5, 1981, the Federal Circuit legislation was re-introduced in the Senate as S. 21, and then, after "technical revisions and parliamentary maneuvering," as S. 1700 on October 5, 1981.<sup>120</sup>

Meanwhile, in the House, the legislation was re-introduced on March 10, 1981, as H.R. 2405.<sup>121</sup> In April 1981 hearings before the House Judiciary Committee's Subcommittee on Courts, Civil Liberties, and the Administration of Justice, proponents of the House bill continued to press the adverse effects of uncertainty in application of the patent laws on American economic competitiveness, on top of the drag that uncertainty exerted

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<sup>117</sup> *Id.* at 19–21 (emphasis added) (footnotes omitted); *see also id.* at 25 ("The second aspect of the subcommittee's inquiry was into industrial innovation as a key to increased productivity in the United States.").

<sup>118</sup> *Id.* at 20.

<sup>119</sup> Petrowitz, *supra* note 65, at 552, 552 n.82; *see also May 1981 Senate Hearings, supra* note 81, at 2.

<sup>120</sup> Petrowitz, *supra* note 65, at 553.

<sup>121</sup> Court of Appeals for the Federal Circuit Act of 1981, H.R. 2405, 97th Cong. (1981).

on the functioning of the judicial system.<sup>122</sup> And they continued to cite “attitudinal differences” as a cause,<sup>123</sup> and the particular examples of obviousness and “synergism” as manifestations, of that uncertainty.

Chief Judge Howard Markey of the Court of Customs and Patent Appeals, for example, testified on April 2, 1981, to the Judiciary Committee’s Subcommittee on Courts, Civil Liberties, and the Administration of Justice, invoking the H.R. 3806 House Report as identifying patent litigation as “a problem area, characterized by undue forum shopping and unsettling inconsistency in adjudications.”<sup>124</sup> He continued:

The crying need for definitive, uniform, judicial interpretation of the national law of patents, on which our citizens may rely and plan with some certainty, has been recognized and increasingly discussed for over 60 years. In 1952 Congress created a good statute in Title 35. Yet the problem is even greater in a nation of 220 million and after a quarter century of conflicting confusion in cumbersome court opinions. The need for a law of patents on which our people may rely is even greater when our nation is faced with a need to reindustrialize, to improve a productivity growth rate now approaching zero, to reverse a falling status in international trade, and to encourage the investment in innovative products and new technology so necessary to achieve those goals.<sup>125</sup>

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<sup>122</sup> *Court of Appeals for the Federal Circuit—1981: Hearings on H.R. 2405 Before the Subcomm on Cts., C.L., & the Admin. of Just. of the H. Comm. on the Judiciary*, 97th Cong. 1 (1981) [hereinafter *April 1981 House Hearings*] (Chair Kastenmaier’s introductory remarks); see also *id.* at 11 (Hon. H. Markey noting Judicial Conference of the United States’ March 12, 1981 substantially identical proposal).

<sup>123</sup> *Id.* at 53.

<sup>124</sup> *Id.* at 128.

<sup>125</sup> *Id.* at 6–7; see also *id.* at 52 (statement of J. Jancin); *id.* at 56 (citing April 15, 1980, testimony to Subcommittee regarding reexamination legislation that “reexamination and the formation of a federal court with

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Future Federal Circuit Judge Pauline Newman, testifying on behalf of an ad hoc group of industries supporting the legislation, advanced their

belief that this court will have a definite impact on the industrial incentive toward technological growth.

We are much concerned about the recovery of industrial productivity, as is essential to the resolution of our present economic ills. This is one of the reasons why we feel that this proposal is particularly timely.

....

As an industrialist, let me say a word about the risk-return calculation, with respect to patents, in business decisions. Technical advance, and especially our national goal of technological leadership, start with invention. They can't start without invention, without . . . research and development commitments . . .

....

[T]he successful research must carry the unsuccessful. Most advanced technology is much more expensive to invent and develop than to copy. Thus the businessman calculates the potential return on this R. & D. investment, with all of the uncertainties of such calculations.

....

In my experience, and the experience of those of us in industry who view it from that insider perspective, the patent factor is an extraordinarily troublesome one in

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exclusive appellate patent jurisdiction – would, I submit, have a greater positive impact on the future of industrial innovation than any patent-oriented proposals considered by Congress during my 25-year professional career” and testifying “This statement is as valid today as it was approximately one year ago.”).

these considerations because of its unpredictably defeasible nature: maybe you have an enforceable patent, or maybe you don't; maybe it will shield your investment to enable the calculated return, or it may suddenly fail to fulfill this purpose. An estimated percentage chance that your patent may survive attack, depending on the forum, gives indigestion to the computer that calculates risk ratios, and it gives worse indigestion to the businessman, the decisionmaker.

. . . .

The patent aspect is more a necessary underpinning to these commercial decisions than an acceptable variable risk factor. All that a patent does is convert your idea into your property. Who would build a house on land to which the title is in doubt, on land to which the title may vary with the court; and to complete the analogy, on land to which the title won't be clarified until after you have moved into the house?<sup>126</sup>

Chair Kastenmaier remarked:

Ms. Newman restated the case, which I think largely had been lost upon the subcommittee which has been looking at the technical aspects of the case that was stated in 1979 and 1980 for the creation of this Court; she reminded us that it is not merely for the patent lawyers themselves but for the industrial and research organizations of this country upon whom we depend for advances in technology and for economic competitiveness for the world that this was in the first place suggested.

Therefore, if it serves that end it has to be given great weight whether or not we approve this legislation.<sup>127</sup>

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<sup>126</sup> *April 1981 House Hearings, supra* note 122, at 188–89, 195.

<sup>127</sup> *Id.* at 208.

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Testifying against the legislation on behalf of the American Bar Association, James Geriak acknowledged that “unacceptabl[e] unpredictab[ility]” marked the most important argument advanced by the legislation’s proponents.<sup>128</sup> Geriak singled out obviousness as the primary source of disquiet among those urging adoption.<sup>129</sup> Opposing the legislation, private attorney Sidney Neuman testified that “the issue of ‘obviousness’ under 35 U.S.C. § 103 and only that issue” supplied the basis for complaints about “widespread lack of uniformity and uncertainty”<sup>130</sup> and disagreed that the “alleged ‘synergism’ conflict is either significant or serious.”<sup>131</sup> Geriak argued that uniformity for its own sake was not desirable, and that inter-circuit differences “reap[ed] the reward that various ideas are able . . . to ‘compete for acceptance in the marketplace.’”<sup>132</sup>

Testifying as a proponent of the proposed legislation, former Commissioner of Patents and Trademarks Donald Banner disagreed that “obviousness is really the only important issue,” but concurred that obviousness was a “serious” issue, some “circuits . . . clearly today say that you

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<sup>128</sup> *Id.* at 74.

<sup>129</sup> *Id.* at 128; *see also* *May 1981 Senate Hearings*, *supra* note 81, at 126–27.

<sup>130</sup> *April 1981 House Hearings*, *supra* note 122, at 128 (citing H.R. REP. NO. 96-1300 at 18); *see also id.* at 145 (“[T]he proponents of the new court are only complaining about the manner in which the regional courts handle the ‘obviousness’ issue under 35 U.S.C. § 103.”); *id.* at 150; *id.* at 131–34 (discussing *Graham*, *Anderson’s Black Rock*, and *Sakraida*); *May 1981 Senate Hearings*, *supra* note 81, at 86 (statement of Sidney Neuman) (“As to alleged lack of stability in patent decisions, so far as I have been able to ascertain this ground relates principally to the decisions of the courts dealing with the obviousness issue under section 103 of the Patent Code.”).

<sup>131</sup> *April 1981 House Hearings*, *supra* note 122, at 128, 133 (see comment addressed in footnote); *see also id.* at 151–52.

<sup>132</sup> *April 1981 House Hearings*, *supra* note 122, at 85 (quoting O.W. Holmes); *May 1981 Senate Hearings*, *supra* note 81, at 136 (quoting O.W. Holmes).

have to have in addition to obviousness this magical something called synergism.”<sup>133</sup>

Witnesses also appeared to assume, as before, that the Supreme Court would continue to take relatively few patent cases.<sup>134</sup> They also disclaimed that the new appellate court would effectuate substantive change in the law.<sup>135</sup>

The Senate Judiciary Committee heard additional testimony, to the same general effect, at hearings held during April and May 1981.<sup>136</sup> Chief Judge Markey testified, for example:

**The fundamental problem in patent law in this country lies in the approach to decision** illustrated in appellate court opinions, **wherein nonstatutory slogans are employed and grow into mindless decisional rules for all cases.** Time and space precluding a full list, I will mention just two: (1) “A combination of old elements is unpatentable and certainly suspect.” The fact is that **every invention of man is necessarily made of old elements and the slogan as a standard decisional rule would totally destroy the patent system;** (2) “**Absent a new function, the invention is unpatentable.**” The fact is that 99% or more of all inventions are improvements, the statute specifically provides for patenting improvements, and every improved device necessarily performs the old function of the thing improved. **Again, universal application of a nonstatutory**

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<sup>133</sup> *April 1981 House Hearings*, *supra* note 122, at 174–75.

<sup>134</sup> *Id.* at 50 (statement of J. Jancin, President Elect of Am. Pat. L. Ass’n); *id.* at 56 (statement of Jancin); *id.* at 63 (statement of Jancin); Beighley, *supra* note 85, at 701.

<sup>135</sup> *Id.* at 206 (statement of Newman, responding to Kastenmeier).

<sup>136</sup> *Additional Judicial Positions: Hearing on Additional Judicial Positions for the Courts of Appeals and District Courts of the United States Before the Subcomm. on Cts. of the S. Comm. on the Judiciary*, 97th Cong. 115–16, at 121 (1981) [hereinafter *April 1981 Senate Hearings*].

**demand for a new function would totally destroy  
the patent system.**<sup>137</sup>

The pertinent House and Senate reports of November 1981 reflected the same animating spirit embodying the “almost” Federal Circuit legislation that had passed both houses of Congress late the preceding year.<sup>138</sup> Reiterating that “[p]atents have served as a stimulus to the innovative process . . . [which] can have important positive ramifications for the nation’s economy,”<sup>139</sup> as well as the earlier House report’s observations regarding

- the lessons that “emerged” from the Freund Committee, the Hruska Commission, and other study groups;
- the emphasis on “industrial innovation as a key to increased productivity in the United States” that had joined appellate operational concerns as a focal point of testimony on the proposed legislation before the Ninety-Sixth Congress;
- support for creation of a single patent appellate court by President Carter’s Domestic Policy Review, as an “indispensable part” of the President’s “industrial innovation program”;
- the continuing absence of certainty in patent law’s application, and corresponding adverse impact on business investment in innovation; and
- the support of American industry for the legislation,

the House Judiciary Committee report of November 4, 1981, observed that

[t]he establishment of a single court to hear patent appeals was repeatedly singled out by the witnesses

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<sup>137</sup> *Id.* (emphasis added).

<sup>138</sup> *See supra* text accompanying notes 114–119.

<sup>139</sup> H.R. REP. NO. 97-312, at 23 (1981).

who appeared before the Committee as **one of the most far-reaching reforms that could be made to strengthen the United States patent system in such a way as to foster technological growth and industrial innovation. The new Court of Appeals for the Federal Circuit will provide nationwide uniformity in patent law, will make the rules applied in patent litigation more predictable** and will eliminate the expensive, time-consuming and unseemly forum-shopping that characterizes litigation in the field.<sup>140</sup>

The Senate Judiciary Committee report reiterated its conclusions from the previous year.<sup>141</sup> And both the House and the Senate reports reflected the continuing assumption that the Supreme Court would take few patent cases.<sup>142</sup>

After “minor amendments” to H.R. 2405, the House Judiciary Committee reported out a “clean bill,” H.R. 4482, on November 4, 1981.<sup>143</sup> The House amended its bill and passed the measure on November 18, 1981.<sup>144</sup> On March 22, 1982, the Senate passed the House bill, which became law as the Federal Courts Improvement Act of 1982 on April 2, 1982,<sup>145</sup> upon President Reagan’s signature.<sup>146</sup>

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<sup>140</sup> *Id.* at 19–20, 22, 28 (emphasis added).

<sup>141</sup> S. REP. NO. 97-275 at 1–2 (1981).

<sup>142</sup> H.R. REP. 97-312 at 22; S. REP. NO. 97-275 at 3 (“[O]ur Federal judicial system lacks the capacity, short of the Supreme Court, to provide reasonably quick and definitive answers to legal questions of nationwide significance. The Supreme Court now appears to be operating at—or close to—full capacity; therefore, in the future the Court cannot be expected to provide much more guidance in legal issues than it now does.”); *id.* at 2 (noting the legislation’s purpose “to fill a void in the judicial system by creating an appellate forum capable of exercising nationwide jurisdiction over appeals”).

<sup>143</sup> H.R. REP. NO. 97-312 at 1, 29.

<sup>144</sup> See Petrowitz, *supra* note 65, at 553 n.90.

<sup>145</sup> *Id.* at 553 n.91.

<sup>146</sup> Meador, *Origin of the Federal Circuit*, *supra* note 84, at 618.

**III. THE STATE OF THE LAW ON “SOMETHING MORE”  
AS OF THE FEDERAL CIRCUIT’S CREATION IN 1982**

***A. Congressional Expectations: “Invention”  
Dead, Uncertainty to Be Avoided, Supreme  
Court Intervention Expected to Continue to  
Be Limited.***

As of 1982, at least this much was known about Congress’s intentions with regard to how much of “something more,” beyond what came before, an inventor had to show in order to claim a valid patent right.

One, broadly, Congress viewed patents as special. The mere fact that Congress considered, but ultimately rejected, the addition of other subject matter besides patents — tax, environmental, and trademark matters — to the Federal Circuit’s jurisdiction, suggests as much.<sup>147</sup>

Two, relatedly, any non-statutory judicial construct that created undue uncertainty as to the ambit of protectable subject matter was disfavored, as undermining the national economic interest. Congress had identified that kind of uncertainty as a particular problem stifling industrial advancement and technological innovation.<sup>148</sup> As practitioner George C. Beighley, Jr., put it:

Ultimately a consensus seems to emerge from examining the statements of judges and the legislative history that the purpose of Congress in creating the Federal Circuit was to create a court with subject matter jurisdiction over national issues that would promote uniformity of patent law, eliminate forum

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<sup>147</sup> See, e.g., *May 1981 Senate Hearings*, *supra* note 81, at 248 (statement of Howard T. Markey) (“Tax, environmental, and trademark matters were originally included. Congress in its wisdom eliminated those three items.”); see generally *supra* Part II.D.

<sup>148</sup> E.g., Lee Petherbridge, *Patent Law Uniformity?*, 22 HARV. J.L. & TECH. 421, 422–23 (2009); Beighley, *supra* note 85, at 673–74; see generally *supra* Part II.E.

shopping in patent cases, and thereby increase and promote technological innovation in the United States.<sup>149</sup>

The concept of “synergy,” in particular, had developed enough during the course of the legislative process to arise as a particular subject of debate between proponents and opponents of legislative reform, and to be roundly criticized by the winners of that debate.<sup>150</sup>

Three, the judicial construct of “invention” was dead, or at least, it was supposed to be. It was widely understood that Congress had adopted section 103’s obviousness requirement as part of the Patent Act of 1952 in order to dispose of that construct.<sup>151</sup>

Finally, Congress had reason to expect that the Supreme Court would continue to intervene only infrequently in patent matters. While there is no indication Congress expected the Supreme Court to formally surrender its constitutional authority to interpret the patent laws, the new Federal Circuit could be expected to carry the lion’s share of that interpretive workload — and to do so consistent with the foregoing Congressional objectives.<sup>152</sup>

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<sup>149</sup> Beighley, *supra* note 85, at 705; *see also id.* at 736 (“The congressional objective in creating the Federal Circuit was to provide uniformity to the law and thereby to promote innovation.”).

<sup>150</sup> *See supra* text accompanying notes 101–103 and 123–33.

<sup>151</sup> *See, e.g., Ghost, supra* note 2, at 14 (“The first policy decision underlying § 103 was to cut loose altogether from the century-old term ‘invention.’ It really *was* a term impossible to define, so we knew that any effort to define it would come to naught.”); *see also, e.g., id.* at 15 (“As compared to finding or not finding ‘invention,’ § 103 was a whole new way of thinking and a clear *directive* to the courts to think that way.”); *id.* at 17 (“Whatever you call it, the purpose was to substitute § 103 for the requirement of ‘invention’ . . . . It was to be statutory, not case law in the future.”); *see generally supra* Part II.A.2.

<sup>152</sup> *See supra* text accompanying notes 138–141.

**B. Potential Sources of Future Judicial  
Deviation.**

Admittedly, there existed nubs of uncertainty. These have been commented on extensively.<sup>153</sup> It bears noting here simply that any effort to discern Congressional intent in enacting the FCIA must acknowledge the existence of some murk.

**1. "Something More"**

First, as shown above, the Supreme Court's section 103 decisions in *Graham* in 1966 and *Anderson's-Black Rock* in 1969 had continued to inject some uncertainty as to the degree to which a judicial requirement of "something more" — in the form of "synergy" — had been laid to rest by section 103's adoption. The Court's 1976 decision in *Sakraida v. Ag-Pro*,<sup>154</sup> which had elliptically alluded to that same construct, had exacerbated this uncertainty,<sup>155</sup> particularly after the Court's decision that same year in *Dann v. Johnston* had held a claimed invention of a computerized "machine system for automatic record-keeping of bank checks and deposits" obvious under section 103 without resort to the "synergy" concept while, like *Sakraida*, acknowledging that Congress had replaced the old "invention" requirement with the statutory obviousness inquiry.<sup>156</sup> Much as one might like to think Congress expected the uncertainty would be resolved through future

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<sup>153</sup> See, e.g. *Ghost*, *supra* note 2, *passim.*; *Tyranny*, *supra* note 12, *passim.*; *Then & Now*, *supra* note 36, at 435–37.

<sup>154</sup> *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273, 81 (1976).

<sup>155</sup> See *Edwards*, *supra* note 45, at 12 (arguing from *Sakraida* in 1978 that "the requirement of invention for patentability is alive and well in the Supreme Court of the United States, and as a consequence, in all of the federal courts—and the Patent Office").

<sup>156</sup> *Dann v. Johnston*, 425 U.S. 219, 225–26 (1976); see generally *Tyranny*, *supra* note 12, at 210 (discussing synergy concept as referenced in *Anderson's-Blackrock* and *Sakraida*).

decisions of the new Federal Circuit, consistent with Congress’s objectives as well as *Graham*, there is no material indication in the FCIA’s legislative history that Congress focused in particular on these decisions as the Act marched toward passage.

## 2. Section 101 Cases

Second, there were the Supreme Court’s roughly-contemporaneous decisions on patentable subject matter under section 101: *Gottschalk v. Benson*,<sup>157</sup> *Parker v. Flook*,<sup>158</sup> *Diamond v. Chakrabarty*,<sup>159</sup> and *Diamond v. Diehr*.<sup>160</sup>

In a unanimous (six-justice) 1972 opinion authored by Justice Douglas, *Benson* held a computer program for converting binary-coded decimal numerals into binary numerals unpatentable as a mere mathematical formula or abstraction.<sup>161</sup> *Benson* has been roundly criticized.<sup>162</sup> For purposes here, it suffices to note that the opinion made scant reference to section 101, and focused on whether the claimed process fell into judicial exceptions to subject matter eligibility, rather than whether the process contributed enough of “something more” to qualify for patent protection.

In a 1978, 6-3 decision authored by Justice Stevens, *Flook* had used the term “inventive concept” in refusing to

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<sup>157</sup> *Gottschalk v. Benson*, 409 U.S. 63 (1972).

<sup>158</sup> *Parker v. Flook* 437 U.S. 584 (1978).

<sup>159</sup> *Diamond v. Chakrabarty*, 447 U.S. 303 (1980).

<sup>160</sup> *Diamond v. Diehr*, 450 U.S. 175 (1981).

<sup>161</sup> *See Benson*, 409 U.S. at 71–72.

<sup>162</sup> *See, e.g., Merges, supra* note 57, at 2229 (“The problem was that the decision was conceptually flawed, if not plain wrong. Great volumes of legal scholarship have documented over the intervening years what common experience also tells us: software is engineered, not discovered. . . . [P]erhaps Justice Douglas was simply searching for a way to keep this new subject matter out of the clutches of the patent system of which he was so suspicious. Whatever the reason, he made a major mistake.”).

distinguish the claimed application of an algorithm for “updating alarm limits” from the unpatentable algorithm itself.<sup>163</sup> *Flook* followed *Dann*, in which, two years earlier, the Court had ducked subject matter eligibility in favor of deciding the case on obviousness grounds.<sup>164</sup> *Flook* itself drew little scholarly commentary.

In a 1980, 5-4 decision authored by Chief Justice Burger, *Chakrabarty*, the Court had held a human-made microorganism patentable, with no reference to “inventive concept.”

And in a March 1981, 5-4 decision authored by Justice Rehnquist, *Diehr*, the Court held that a claimed rubber product molding process including an algorithm was patent-eligible subject matter, without any reference to “inventive concept.”

Here too, one might wish for more clarity as to Congress’s intentions regarding the substance of these decisions as the FCIA journeyed toward passage. Perhaps the absence of breadcrumbs is unsurprising; the trail was winding, and the decisions’ significance looms larger in hindsight than it probably did in real time. In any event, none of these decisions, nor the issue of statutory patentable subject matter generally, had commanded the attention of the Freund Committee, the Hruska Commission, or the legislators and witnesses whose work during the Ninety-Sixth and Ninety-Seventh Congresses had culminated in the FCIA.<sup>165</sup>

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<sup>163</sup> *Parker v. Flook*, 437 U.S. 584 (1978).

<sup>164</sup> *Dann v. Johnston*, 425 U.S. 219, 225–26 (1976).

<sup>165</sup> *See supra* Parts II.B through II.E.

### 3. The (Roughly Contemporaneous) Computer Software Copyright Act of 1980.

Third, Congress had enacted the Computer Software Copyright Act of 1980,<sup>166</sup> adopting “wholesale” the recommendations of the National Commission on New Technological Uses of Copyrighted Works (“CONTU”) that software be protected under copyright law. CONTU’s final report, cited as a strong indicator of Congress’s intent in passing the Act,<sup>167</sup> had observed:

It is still unclear whether a patent may ever be obtained for a computer program. On three occasions the Supreme Court has considered cases involving program patents. In each it has found the programs before it to be ineligible for such protection. However, the Court has never addressed the broader question whether programs are patentable subject matter. The holdings of those three cases, although carefully limited in scope, make it appear that it would be difficult for any applicant to secure a patent in a program, since novel and useful mathematical formulas may not be patented and since useful ‘post-solution applications’ of them meet the same fate.<sup>168</sup>

The FCIA and the 1980 Act both journeyed to passage during the 1970s. Interestingly, the final report of

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<sup>166</sup> Computer Software Copyright Act of 1980, Pub. L. No. 96–517, § 10, 94 Stat. 3015, 3028 (1980).

<sup>167</sup> Ralph Oman, *Computer Software As Copyrightable Subject Matter: Oracle v. Google, Legislative Intent, and the Scope of Rights in Digital Works*, 31 HARV. J. L. & TECH. 639, 642 n.11 (2018) (citing *Sega Enters. v. Accolade, Inc.*, 977 F.2d 1510, 1519 n.5 (1992) (“Congress adopted all of the statutory changes recommended by CONTU verbatim. Subsequent Congresses, the courts, and commentators have regarded the CONTU Report as the authoritative guide to congressional intent.”)).

<sup>168</sup> CONTU, FINAL REPORT OF THE COMMISSION ON NEW TECHNOLOGICAL USES OF COPYRIGHTED WORKS, at 17 (1978) (citing *Benson, Dann, and Flook*).

CONTU, which largely was delegated the “thinking work” on the 1980 Act, issued its final report on July 31, 1978.<sup>169</sup> Meanwhile, the Meador Proposal, which served as the fulcrum between the Freund Commission’s and Hruska Committee’s earlier work and the legislative efforts of the Ninety-Sixth and Ninety-Seventh Congresses culminating in the FCIA, issued just 10 days earlier, on July 21, 1978.<sup>170</sup> Judging exclusively by these two reports—a full exposition of the legislative history of the two acts being beyond this article’s space constraints—a fair synthesis of Congress’s attitude appears to be, “We need not decide computer programs’ patentability; we decide such programs are copyrightable.”<sup>171</sup> The legislative history of both statutes, however, evinces Congressional intent to reward innovation with exclusivity. As CONTU put it, “Computer programs are the product of great intellectual effort and their utility is unquestionable. The Commission is, therefore, satisfied that some form of protection is necessary to encourage the creation and broad distribution of computer programs in a competitive market.”<sup>172</sup>

#### **IV. THE SUPREME COURT RESUSCITATES “SOMETHING MORE” UNDER SECTION 101**

##### ***A. The Federal Circuit Waves Away Extant Versions of “Something More”***

On “synergy,” the Federal Circuit wasted little time. In its July 1983 opinion affirming the invalidity

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<sup>169</sup> *Id.*

<sup>170</sup> *Meador Proposal*, *supra* note 86.

<sup>171</sup> *See* CONTU, FINAL REPORT OF THE COMMISSION ON NEW TECHNOLOGICAL USES OF COPYRIGHTED WORKS, at 17 (1978).

<sup>172</sup> *See id.* at 11, 17 (citing *Benson*, *Dann*, and *Flook*).; *see also* Timothy K. Armstrong, *Symbols, Systems, & Software as Intellectual Property: Time for CONTU, Part II?*, 24 MICH. TELECOMM. & TECH. L. REV. 131, 141 (2018).

determination in *Chore-Time Equip. v. Cumberland Corp.*,<sup>173</sup> the Federal Circuit criticized the trial court’s reference to “synergistic result”:

In determining patentability, we are guided, as we must be guided, by the statute. A requirement that an invention reflect “synergism” or achieve a “synergistic result,” before it may be held patentable appears nowhere in the statute, 35 U.S.C. The test of obviousness under 35 U.S.C. § 103, as the statute makes plain, is whether the invention as a whole would have been obvious at the time it was made to one of ordinary skill in the art. References to synergism as a patentability requirement are, therefore, unnecessary and confusing.<sup>174</sup>

That same month, affirming the invalidity determination in *Stratoflex v. Aeroquip Corp.*,<sup>175</sup> the Federal Circuit similarly criticized the trial court’s reference to “synergism” as “a symbolic reminder of what constitutes nonobviousness when a combination patent is at issue”: “A requirement for ‘synergism’ or a ‘synergistic effect’ is nowhere found in the statute, 35 U.S.C. When present, for example in a chemical case, synergism may point toward nonobviousness, but its absence has no place in evaluating the evidence on obviousness.”<sup>176</sup>

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<sup>173</sup> *Chore-Time Equip. v. Cumberland Corp.*, 713 F.2d 774, 781 (Fed. Cir. 1983).

<sup>174</sup> *Id.* at 782; O’Hearn, *supra* note 32, at 464 (“[P]atent law practitioners and commentators expected the new Federal Circuit to discard the synergism requirement. That expectation has been met.”); *see also* Desmond, *supra* note 41, at 473 (“[O]ne of the CAFC’s primary tasks was to create a uniform interpretation of patent law. In an effort to accomplish this goal, the CAFC held that a number of district courts had erred in requiring proof of synergistic effects in order for combination patents to be nonobvious.”).

<sup>175</sup> *Stratoflex v. Aeroquip Corp.*, 713 F.2d 1530, 1541 (Fed. Cir. 1983).

<sup>176</sup> *Id.* at 1540.

As for “inventive concept,” the Federal Circuit’s pre-*Bilski* era decisions contain little or no indication that the court viewed, or would countenance, this as an expression of “something more” required for patentability. It took almost two decades for the court even to cite *Parker v. Flook* for its “inventive concept” reference.<sup>177</sup> Before that, the court came far closer to dismissing the concept, than to accepting it. As early as November 1983, reversing certain of the trial court’s invalidity determinations, the court observed:

Because it permeated so much of the district court’s analysis, we note more fully its frequent restriction of its consideration to 10% per second of stretching, which it called the “thrust of the invention.” That approach is repeated throughout Garlock’s briefs, which refer repeatedly to the “thrust of the invention,” to “the inventive concept,” and to the claims “shorn of their extraneous limitations.” That facile focusing on the “thrust,” concept,” and “shorn” claims, resulted in treating the claims at many points as though they read differently from those actually allowed and in suit. . . . In determining obviousness, there is “no legally recognizable or protected ‘essential,’ ‘gist,’ or ‘heart’ of the invention.”<sup>178</sup>

### ***B. The Supreme Court’s Recent Section 101 Jurisprudence***

More recent decisions from the Court, meanwhile, led “something more” to manifest itself under section 101’s subject matter eligibility regime, rather than the obviousness

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<sup>177</sup> See *EMI Grp. N. Am. v. Cypress Semiconductor Corp.*, 268 F.3d 1342, 1549 (Fed. Cir. 2001).

<sup>178</sup> *W.L. Gore & Associates. v. Garlock, Inc.*, 721 F.2d 1540, 1547 (Fed. Cir. 1983) (quoting *Aro Mfg. Co. v. Convertible Top Replacement*, 365 U.S. 336, 345 (1961)); see also *In re Morris*, 127 F.3d 1048, 1056 (Fed. Cir. 1997) (rejecting applicant’s invocation of “their ‘inventive concept,’ whatever that means” in arguing examiner erred in rejecting claim in view of prior art).

regime established by Congress under section 103. This, notwithstanding that, in passing substantial patent reform legislation in the form of the Smith-Leahy America Invents Act of 2011, Congress had said and done nothing suggesting it contemplated a change in the general substantive law of patent subject matter eligibility.<sup>179</sup> Perhaps unsurprisingly, none of the following decisions made any reference to the AIA or, for that matter, the FCIA.

As a prelude, in his 2006 dissent from the Supreme Court's dismissal following grant of cert in *Lab'y Corp. v. Metabolite*,<sup>180</sup> Justice Breyer invoked the judge-made exceptions to patentable subject matter. Breyer argued that one of the petitioner's claims, "A method for detecting a deficiency of cobalamin or folate in warm-blooded animals comprising the steps of: assaying a body fluid for an elevated level of total homocysteine; and correlating an elevated level of total homocysteine in said body fluid with a deficiency of cobalamin or folate," claimed an unpatentable law of nature inconsistent with 35 U.S.C. § 101.<sup>181</sup>

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<sup>179</sup> In the AIA, Congress made no change to the language of § 101. It considered doing so with respect to tax strategies, but ultimately relegated that issue to treatment under §§ 102–03. AIA § 14, available at [uspto.gov/web/offices/pac/mpep/consolidated\\_laws.pdf](http://uspto.gov/web/offices/pac/mpep/consolidated_laws.pdf); see Gene Quinn, *AIA Oddities: Tax Strategy Patents and Human Organisms*, IPWATCHDOG (Sept. 12, 2013), [ipwatchdog.com/2013/09/12/aia-oddities-tax-strategy-patents-and-human-organisms/id=45113/#\\_ftnref](http://ipwatchdog.com/2013/09/12/aia-oddities-tax-strategy-patents-and-human-organisms/id=45113/#_ftnref) [<https://perma.cc/SB4R-EKGG>]. Congress also enacted a separate statute providing, "Notwithstanding any other provision of law, no patent may issue on a claim directed to or encompassing a human organism." AIA § 33, available at [uspto.gov/web/offices/pac/mpep/consolidated\\_laws.pdf](http://uspto.gov/web/offices/pac/mpep/consolidated_laws.pdf); see also Quinn, *supra* note 151; see generally Patrick A. Doody, *Comprehensive Legislative History of the Leahy-Smith America Invents Act*, PILLSBURY LAW (Sept. 26, 2012), <https://www.pillsburylaw.com/images/content/4/0/v2/4067/AIA-LegislativeHistory-final.pdf> [<https://perma.cc/L3E2-85MZ>].

<sup>180</sup> *Lab'y Corp. v. Metabolite*, 548 U.S. 124, 127 (2006).

<sup>181</sup> *Id.*

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In its 2010 decision in *Bilski v. Kappos*,<sup>182</sup> citing *Benson*, *Flook*, and *Diehr*, the Court held invalid under section 101, as claiming an “abstract idea,” a process for hedging risk. Claim 1 consisted of

- (a) initiating a series of transactions between said commodity provider and consumers of said commodity wherein said consumers purchase said commodity at a fixed rate based upon historical averages, said fixed rate corresponding to a risk position of said consumers;
- (b) identifying market participants for said commodity having a counter-risk position to said consumers; and
- (c) initiating a series of transactions between said commodity provider and said market participants at a second fixed rate such that said series of market participant transactions balances the risk position of said series of consumer transactions.<sup>183</sup>

Claim 4, according to the Court, “put[] the concept articulated in claim 1 into a simple mathematical formula.”<sup>184</sup> And the remaining claims, according to the Court, “attempt[ed] to patent the use of the abstract idea of hedging risk in the energy market and then instruct the use of well-known random analysis techniques to help establish some of the inputs into the equation.”<sup>185</sup>

In 2012’s *Mayo Collaborative Services v. Prometheus Laboratories*,<sup>186</sup> the Court held invalid under section 101 a claimed process for ascertaining the appropriate dosage of thiopurine drugs by reference to the

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<sup>182</sup> *Bilski v. Kappos*, 561 U.S. 593, 609 (2010).

<sup>183</sup> *Id.* at 599.

<sup>184</sup> *Id.* Nowhere, though, did the Court recite Claim 4’s actual language.

<sup>185</sup> *Id.* at 612.

<sup>186</sup> *Mayo Collaborative Servs. v. Prometheus Lab’s., Inc.*, 566 U.S. 66, 74–75 (2012).

level of thiopurine metabolites in the blood. The Court recited as typical the following claim:

A method of optimizing therapeutic efficacy for treatment of an immune-mediated gastrointestinal disorder, comprising:

(a) administering a drug providing 6–thioguanine to a subject having said immune-mediated gastrointestinal disorder; and

(b) determining the level of 6–thioguanine in said subject having said immune-mediated gastrointestinal disorder,

wherein the level of 6–thioguanine less than about 230 pmol per  $8 \times 10^8$  red blood cells indicates a need to increase the amount of said drug subsequently administered to said subject and

wherein the level of 6–thioguanine greater than about 400 pmol per  $8 \times 10^8$  red blood cells indicates a need to decrease the amount of said drug subsequently administered to said subject.<sup>187</sup>

The Court held the “relationships between concentrations of certain metabolites in the blood and the likelihood that a dosage of a thiopurine drug will prove ineffective or cause harm” as unpatentable “laws of nature.”<sup>188</sup> And, since the patents claimed a process rather than the law itself, the Court adopted the *Flook* term “inventive concept” — which it had not mentioned at all in *Bilski* — as the means to ensure “that a [patent on a] process that focuses upon the use of a natural law also contain other elements or a combination of elements

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<sup>187</sup> *Id.* at 74–75.

<sup>188</sup> *Id.* at 77.

. . . amount[] to significantly more than a patent upon the natural law itself.”<sup>189</sup>

In 2013’s *Association for Molecular Pathology v. Myriad Genetics*,<sup>190</sup> the Court held that naturally-occurring DNA, even if isolated, is not a “new . . . composition of matter” under section 101, but that the claimed synthetic DNA was patent-eligible.

Finally, the following year, the Court in *Alice Corp. v. CLS Bank*<sup>191</sup> held invalid as “drawn to” the “abstract idea of intermediated settlement” method, system, and media claims “relat[ing] to a computerized scheme for mitigating ‘settlement risk’—*i.e.*, the risk that only one party to an agreed-upon financial exchange will satisfy its obligation.”<sup>192</sup> The following claim, according to the Court, was a representative method claim:

A method of exchanging obligations as between parties, each party holding a credit record and a debit record with an exchange institution, the credit records and debit records for exchange of predetermined obligations, the method comprising the steps of:

- (a) creating a shadow credit record and a shadow debit record for each stakeholder party to be held independently by a supervisory institution from the exchange institutions;
  
- (b) obtaining from each exchange institution a start-of-day balance for each shadow credit record and shadow debit record;

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<sup>189</sup> *Id.* at 72–73; *see also id.* at 82 (describing patent claim in *Flook* as one in which, “putting the formula to the side, there was no ‘inventive concept’ in the claimed application of the formula”).

<sup>190</sup> *Ass’n for Molecular Pathology v. Myriad Genetics*, 569 U.S. 576, 589, 594–95 (2013).

<sup>191</sup> *Alice Corp. v. CLS Bank*, 573 U.S. 208 (2014).

<sup>192</sup> *Id.* at 213–14, 216.

(c) for every transaction resulting in an exchange obligation, the supervisory institution adjusting each respective party’s shadow credit record or shadow debit record, allowing only these transactions that do not result in the value of the shadow debit record being less than the value of the shadow credit record at any time, each said adjustment taking place in chronological order, and

(d) at the end-of-day, the supervisory institution instructing on[e] of the exchange institutions to exchange credits or debits to the credit record and debit record of the respective parties in accordance with the adjustments of the said permitted transactions, the credits and debits being irrevocable, time invariant obligations placed on the exchange institutions.<sup>193</sup>

The Court in *Alice* refined *Mayo* into an analytical subject matter eligibility “framework.”<sup>194</sup>

First, notwithstanding that “all inventions . . . embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas,”<sup>195</sup> the court is to “determine whether the claims at issue are *directed to* one of those patent-ineligible concepts.”<sup>196</sup> Though the Court cited *Mayo*, that decision had used neither the “directed to” construct nor the “drawn to” alternative appearing elsewhere in *Alice*.<sup>197</sup>

Second, based on the Court’s assertion that “something more” besides those “building blocks of human ingenuity” is required for subject matter eligibility,<sup>198</sup> the court is to search for an “inventive concept,” i.e., “an

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<sup>193</sup> *Id.* at 213 n.2.

<sup>194</sup> *Id.* at 217.

<sup>195</sup> *Id.* (quoting *Mayo*, 566 U.S. at 70).

<sup>196</sup> *Id.* (emphasis added).

<sup>197</sup> See *Mayo Collaborative Servs. v. Prometheus Lab’ys., Inc.*, 566 U.S. 66 (2012).

<sup>198</sup> *Alice Corp. v. CLS Bank*, 573 U.S. 208, 216–17 (2014).

element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’”<sup>199</sup>

Applying this framework, the Court first focused on the claimed methods.<sup>200</sup> Primarily in reliance on *Bilski*, the Court held them “directed to the abstract idea of intermediated settlement,” with “mere[] . . . generic computer implementation” insufficient to satisfy the second, “something more” requirement of an “inventive concept.”<sup>201</sup> That disposed of the petitioner’s media and system claims as well—the former because petitioner conceded they “r[o]se or f[e]ll” with the method claims, and the latter because “the system claims [we]re no different from the method claims in substance.”<sup>202</sup>

### ***C. The Supreme Court Rebuffs Invitations to Revisit Mayo/Alice.***

The Supreme Court has not taken up a subject matter eligibility case since *Alice*. As noted in the introduction, in 2019 the United States took the position, in connection with cert petitions filed in *HP v. Berkheimer*, *Hikma v. Vanda*, and *Athena v. Mayo*, that the judge-made exceptions of laws of nature, natural phenomena, and abstract ideas actually reflected the text and legislative history of section 101.<sup>203</sup> The Court denied cert in all those cases and has denied cert on every section 101-based cert petition since.<sup>204</sup> The uncertainty, and corresponding adverse impacts on innovation and investment in same wrought by the

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<sup>199</sup> *Id.* at 217–18 (quoting *Mayo*, 566 U.S. at 71); *see also id.* at 221.

<sup>200</sup> *Id.* at 219–20.

<sup>201</sup> *Id.* at 225–26.

<sup>202</sup> *Id.* at 226.

<sup>203</sup> *See, e.g., Hikma Amicus Brief, supra* note 6; *see also, Berkheimer Amicus Brief, supra* note 7.

<sup>204</sup> *See supra* note 9.

*Mayo/Alice* test for subject matter eligibility, continue to vex clients, practitioners, and others.

**V. ANALYSIS: THE LATEST ITERATION OF  
“SOMETHING MORE” JUDICIALLY IMPOSED BY  
THE COURT IS INCONSISTENT WITH  
CONGRESSIONAL INTENT.**

This article leaves to others the question of whether the Court’s latest incarnation of “something more” — the “inventive concept” of *Mayo/Alice* — is consistent with the Court’s own precedents.<sup>205</sup> The question here is whether that test is consistent with Congressional intent. The answer, as should by now be clear, is “no.”

Start with the judicial construct of “invention,” used by courts for decades to try to determine whether a claimed invention added enough to the prior art to justify patenting.<sup>206</sup> With the 1952 Patent Act, Congress adopted section 103’s obviousness inquiry in order to dispose of “invention” as a requirement for patentability.<sup>207</sup> That the Supreme Court would later adopt an “inventive concept” test to determine whether claims “drawn to” certain subject matter add enough to justify patenting seems, self-evidently, inconsistent with what Congress had in mind.<sup>208</sup> The mere passage of time cannot change that reality.

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<sup>205</sup> See *Investment*, *supra* note 4, at 6 (citing *Ariosa Diags. v. Sequenom, Inc.*, 788 F.3d 1371 (Fed. Cir. 2015) (Linn, J., concurring)).

<sup>206</sup> See *Tyranny*, *supra* note 12, at 285–86 (recounting history of “requirement of invention”); see also *supra* Part II.A.1.

<sup>207</sup> See *supra* Part II.A.2.

<sup>208</sup> See, e.g., John M. Golden, *Flook Says One Thing, Diehr Says Another: A Need for Housecleaning in the Law of Patentable Subject Matter*, 82 GEO. WASH. L. REV. 1765, 1790 (2014) (“For certain patent law practitioners and academics, the language of this fourth paragraph [in *Mayo*] undoubtedly sounds gratingly resonant of concerns with ‘synergy’ in the context of analyzing a claim for nonobviousness . . .”); *Confusing*, *supra* note 4, at 180–81 (“To say that the Supreme Court’s

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Beyond the change itself, there is the reason Congress supplanted the judicial “invention” construct with section 103 nonobviousness. Though expressed delicately — that “invention” had been “expressed in a large variety of ways in decisions of the courts and in writings” and that new section 103 would “have a stabilizing effect and minimize great departures” — the legislative history’s upshot is that Congress viewed the “invention” standard as vague, subjective, and unworkable, and intended for that reason to eliminate it entirely.<sup>209</sup> The new “inventive concept” test under section 101 is comparably vague, subjective, and unworkable.<sup>210</sup> It is difficult to imagine that, when Congress enacted section 103, it did so with the intention to leave open the door to the same or a substantially similar concept, functioning substantially the same way, reemerging under another section of the patent code.

Fast forward to Congress’s creation of the Federal Circuit.

As seen, though the genesis of that creative enterprise lay in federal appellate reform efforts,<sup>211</sup> those efforts found footing with the addition of the policy goals of promoting industry and technology innovation, and thereby

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understanding of patent eligibility in *Mayo* was shocking to patent law professors and practitioners would be a gross understatement . . . [T]he Court, when it invoked a search for an inventive concept, showed its failure to understand that Congress eliminated any search for inventiveness in favor of a requirement of non-obviousness articulated in § 103.”).

<sup>209</sup> See *supra* Part II.A.2.

<sup>210</sup> See *Confusing, supra* note 4, at 182 (“[T]he test the Supreme Court articulated provides no guidance. Instead it incorporates a purely subjective standard, the correct application of which cannot be predicted with any certainty.”); see also, e.g., Peter Hecker, *How an Old Non-Statutory Doctrine Got Worked Into the § 101 Test for Patent Eligibility*, 99 J. PAT. & TRADEMARK OFF. SOC’Y 4 (2017) (comparing *Alice*’s inventiveness requirement to pre-1952 Patent Act subject matter eligibility standards).

<sup>211</sup> See *supra* Part II.C.

enhancing national economic competitiveness.<sup>212</sup> Congress viewed patent rights as important to achieving those goals. In particular, Congress viewed certainty and predictability in application of the patent law as essential.<sup>213</sup> It also heard substantial testimony criticizing the “synergy” embodiment of “something more,” added by judicial fiat in the wake of the 1952 Patent Act to the statutory requirements for patentability, as paradigmatic judicial subversion of the desired certainty and predictability<sup>214</sup> Here too, it beggars belief that Congress could have imagined, having created the Federal Circuit to help make patent law more certain and more predictable in furtherance of promoting industry and innovation, that someday the Supreme Court would promulgate a “something more” requirement that operates so sharply to the contrary.<sup>215</sup>

And there can be little doubt that the results wrought by the *Alice/Mayo* test run contrary to what Congress had in mind when it enacted the FCIA. The first step — ascertaining whether the purported invention is “drawn to” or “directed to” laws of nature, natural phenomena, or abstract ideas — has analytical problems aplenty of its

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<sup>212</sup> See *supra* Part II.D.

<sup>213</sup> See *supra* Part II.D–E.

<sup>214</sup> See *supra* notes 101–103, 123–133, and accompanying text.

<sup>215</sup> Cf. Jason Rantanen & Lee Petherbridge, *Disuniformity*, 66 FLA. L. REV. 2007, 2040 (2014) (“A larger picture that might be emerging from the analysis of this data is one in which the Supreme Court and the Executive Branch have been cooperating to undermine Congress’s goal for the Federal Circuit—that is, a uniform patent law, reasonably predictable in application. To begin with, when we say ‘undermine Congress’s goal for the Federal Circuit,’ we are not announcing a conspiracy theory or some sort of centrally-managed artifice or scheme. We have something much more descriptive and mundane in mind: That actors capable of influencing the development of patent law—in particular, the Supreme Court and the Executive Branch (outside of the patent office) are working on patent law and may have goals that do not emphasize doctrinal uniformity.”).

own.<sup>216</sup> At their root, of course, most or all inventions draw upon such things.<sup>217</sup> And beyond that, the expressions “drawn to” or “directed to” are themselves vague. When “inventive concept” is added to complete the *Mayo/Alice* framework, the end result is an “environment [that] substantially reduces incentives to invest in research and development, particularly in the biotechnology and software technology areas. If the prevailing perception is that, because of the eligibility requirement, patents will not be available to protect inventions, individuals and companies may not invest efficiently in research and development. And this is the prevailing perception.”<sup>218</sup> Empirical research by Professor David Taylor indicates that the erosion in certainty wrought by the Court’s recent section 101 jurisprudence has reduced investment in innovation<sup>219</sup> — precisely the opposite result from that Congress wanted.<sup>220</sup>

There are contrary arguments, but upon scrutiny, they do not hold up.

One argument is that proponents pitched the Federal Circuit to Congress less to remedy — let alone ordain — any particular substantive law outcome, than to harmonize judicial outcomes whatever those outcomes might manifest in substantive law terms. To be sure, the legislative history

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<sup>216</sup> Michael Borella, *Stupid § 101 Tricks*, JDSUPRA (Nov. 2, 2020), [<https://perma.cc/W3JY-KQY7>] (“What does it mean to be ‘directed to’ an abstract idea? There is no clear answer, but all too often it involves a process that resembles a self-fulfilling prophecy.”).

<sup>217</sup> See, e.g., *Ghost*, *supra* note 2, at 4.

<sup>218</sup> *Confusing*, *supra* note 4, at 240; Xuan-Thao Nguyen & Jeffrey A. Maine, *Attacking Innovation*, 99 B.U.L. REV. 1687, 1722–23 (2019); David Kappos, *Over-Reliance on Section 101 Puts Innovation at Risk*, LAW.COM (May 7, 2015), [<https://perma.cc/6SDC-2UL6>] (“When courts and the USPTO take the ‘I know it when I see it’ approach to Section 101 jurisprudence, businesspeople, investors and innovators will allocate resources away from innovation in those industries that are perceived to fall on the wrong side of the fence.”).

<sup>219</sup> See *Investment*, *supra* note 4, at 12, 59.

<sup>220</sup> See *supra* Parts II.D and II.E.

contains elements supporting this characterization.<sup>221</sup> On the other hand, Congress *had* determined *the* substantive patent law outcome pertinent here — abrogation of the judicial “invention” requirement — 30 years before, with the 1952 Patent Act.<sup>222</sup> It would be farfetched to expect Congress to pass another statute saying, “We really meant it.” Intervening events, including the Supreme Court’s general reticence to take patent cases, the emergence of the judicial “synergy” construct, and the opportunity afforded by the regional intermediate appellate court system to amplify that construct’s departure from Congress’s intentions in enacting section 103, made Congress’s solution of creating a single intermediate appellate court to harmonize the substantive law an eminently practical one.

A more specific manifestation of this same argument is that the Supreme Court *had* made pronouncements — including, for example, 1969’s *Anderson’s-Black Rock*’s rehashing of “invention” and reference to “synergy” as well as 1978’s reference in *Parker v. Flook* to “inventive concept” — before the Federal Circuit was created, yet the legislative history of the Federal Circuit’s creation evinces no explicit intention to upset these decisions.<sup>223</sup> The same answers apply. Moreover, *Anderson’s-Black Rock* still had to be reconciled with the precedent set by *Graham v. John Deere* as an expression of the judicial branch’s attitude toward “something more.”<sup>224</sup> And the “inventive concept” reference in *Flook* had not, as of 1982, achieved the significance later attributed to it by the Court. Indeed, in

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<sup>221</sup> See *Investment*, *supra* note 4, at 12.

<sup>222</sup> See *supra* Part II.A.2.

<sup>223</sup> *April 1981 Hearings*, *supra* note 122, at 207 (statement of Kastenmeier, Subcommittee Chair) (“the desirability or not of this legislation will not depend on their understanding of obviousness, synergism, or *Graham v. Deere*, because I am afraid that we may not be able to quite reduce all of those things to a sufficient understanding to necessarily base our view on this legislation this morning.”).

<sup>224</sup> See *Tyranny*, *supra* note 12, at 294–95.

*Diamond v. Chakrabarty* just two years after *Flook*, the Court had made no reference to “inventive concept” at all.<sup>225</sup>

Another argument is that Congress’s 1980 passage of the Computer Software Copyright Act signaled Congressional ambivalence, or perhaps indifference, toward the patentability of software inventions.<sup>226</sup> Here too, there is support in the legislative history — albeit, the legislative history of the CSCA — for this argument.<sup>227</sup> Yet, even beyond the fact that the CSCA is specific to software, nothing in the legislative history of the FCIA bespeaks ambivalence (or indifference) to patentability outcomes in any particular industry or field. To the contrary, the legislative history bespeaks the general view that patents are both important and good in achieving Congress’s policy goals.<sup>228</sup> Finally, though the legislative history of the CSCA and FCIA developed approximately contemporaneously, the FCIA did in fact pass later,<sup>229</sup> creating a plausible argument that, to the extent of any inconsistency, the FCIA’s legislative intent trumps.

Finally, as noted at the outset, nothing in the legislative history of either the 1952 Patent Act or the FCIA indicates any intention to deprive the Supreme Court of any of its authority to interpret the law, whether in connection with patents or anything else. Congress appeared to understand and intend that the new Federal Circuit would operate as an inferior court to, and be subject to the pronouncements of, the Supreme Court. That said, the FCIA’s legislative history suggests Congress anticipated that the Court would continue to take a relatively inactive role in interpreting the patent laws.<sup>230</sup> And, unsurprisingly,

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<sup>225</sup> See *supra* Part III.B.2.

<sup>226</sup> See *supra* Part III.B.3.

<sup>227</sup> See *supra* Part III.B.3.

<sup>228</sup> See *supra* Parts II.D and II.E.

<sup>229</sup> The FCIA passed in 1982; the CSCA passed in 1980.

<sup>230</sup> See *supra* Parts II.D and II.E.

nothing in the FCIA’s legislative history suggests Congress intended to surrender its own lawmaking authority to the Court.

## VI. CONCLUSION

With the 1952 Patent Act, and specifically the enactment of 35 U.S.C. § 103’s nonobviousness requirement, Congress established the substantive law governing how much of “something more” is required, beyond the prior art, to justify issuance of a patent. As the Supreme Court and inferior appellate courts began to stray from — and more precisely, to add to — that requirement, Congress responded in 1982 by creating the Federal Circuit.

The legislative history accompanying passage of the Federal Courts Improvement Act strongly suggests that Congress viewed patents in general, and patents with predictable enforceable reach in particular, as uniquely important to the national economic interest.

One can say with considerable confidence that the Supreme Court’s “inventive concept” test is at odds with what Congress had mind, particularly when viewed against the backdrop of the 1952 Patent Act. No other legislative enactment, including the roughly contemporaneous Computer Software Copyright Act of 1980, or the 2011 America Invents Act, supplies any substantial reason to question this repeated expression of Congressional will.

The point here is narrow: What the Supreme Court has done, Congress would not have wanted. Whether that truth makes any difference turns on other questions left to others, including whether anything in the Constitution justifies the Court in simply ignoring Congressional will. Judging by current events — including but by no means limited to the Covid-19 pandemic<sup>231</sup> — the objective of

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<sup>231</sup> See, e.g., Paul Michel & John Battaglia, *Pandemics & the Need for U.S. Patent Laws That ‘Promote ... Progress’ and Invention: The*

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promoting domestic innovation as a vehicle for advancing national economic competitiveness would seem as worthy now as it was in the 1970s.<sup>232</sup> One must wonder whether the Court is better-equipped than Congress to make the call — as, with respect to patents, Congress repeatedly has — how to go about it.<sup>233</sup>

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*Federal Circuit, En Banc, Can Fix This*, IPWATCHDOG (Apr. 12, 2020), [ipwatchdog.com/2020/04/12/pandemics-need-us-patent-laws-promote-progress-invention-federal-circuit-en-banc-can-fix/id=120575/](https://ipwatchdog.com/2020/04/12/pandemics-need-us-patent-laws-promote-progress-invention-federal-circuit-en-banc-can-fix/id=120575/) [<https://perma.cc/W7AQ-QWYT>].

<sup>232</sup> See, e.g., Robert D. Atkinson, *Who Lost Lucent?: The Decline of America's Telecom Equipment Industry*, AM. AFFAIRS (Fall 2020), [americanaffairsjournal.org/2020/08/who-lost-lucent-the-decline-of-americas-telecom-equipment-industry/](https://americanaffairsjournal.org/2020/08/who-lost-lucent-the-decline-of-americas-telecom-equipment-industry/) [<https://perma.cc/8487-AGAR>]; David Adler, *The American Way of Innovation & Its Deficiencies*, AM. AFFAIRS (Summer 2018), [americanaffairsjournal.org/2018/05/the-american-way-of-innovation-and-its-deficiencies/](https://americanaffairsjournal.org/2018/05/the-american-way-of-innovation-and-its-deficiencies/) [<https://perma.cc/E9DT-P829>] (“When it comes to applied research and downstream ‘process innovation, America lags behind its competitors. . . . Corporate research labs that once developed and commercialized breakthrough technologies have been eliminated. And critically, the United States, unlike Germany or Japan or South Korea, lacks key institutions focused on applied research and innovation. In other countries, such organizations help translate new ideas in science and technology into practical applications in manufacturing.”).

<sup>233</sup> Dennis Crouch, *Letter to Congress: Iancu is Good for the Patent System*, PATENTLYO (Oct. 26, 2020) (“We all believe that the future of the U.S. economy, including domestic job growth and our competitive advantage in the global economy, depends on a strong patent system that incentivizes innovators to invent and protects their inventions from unfair theft by others.”) [<https://perma.cc/FDT8-Y4X5>].