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## WHY HISTORY MATTERS IN THE PATENTABLE SUBJECT MATTER DEBATE

*Adam Mossoff\**

In *America's First Patents*,<sup>1</sup> Michael Risch proves that nothing beats the facts when it comes to making or assessing claims about the history of patentable subject matter doctrine. Of course, one might ask why we should care about history, especially when justifying or critiquing legal rules that secure property rights in twenty-first-century innovation in high-tech computers or biotech. It's a fair question.

The easy answer is that everyone is doing it. Since the U.S. Supreme Court resurrected the moribund doctrine of patentable subject matter,<sup>2</sup> historical arguments abound about whether business methods,<sup>3</sup> isolated DNA,<sup>4</sup> or diagnostic techniques<sup>5</sup> count as patentable inventions or discoveries, regardless of how novel, useful or nonobvious they may be. As Professor Risch points out, scholars and judges are now arguing about the meaning of the basic legal rule in patent law, formulated so perfectly in *Diamond v. Chakrabarty*, that "laws of nature, physical phenomena, and abstract ideas have been held not patentable,"<sup>6</sup> and historical practices are fundamental to their conclusions.<sup>7</sup>

But this is not an entirely convincing answer. Just because Justice John Paul Stevens discovers his inner originalist when it comes to adjudicating patentable subject matter issues is not a reason by itself for others to do the same.<sup>8</sup> There are reasons why one should care about

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1. Michael Risch, *America's First Patents*, 64 FLA. L. REV. 1279 (2012).

2. The Court first signaled that it was ready to hear arguments about patentable subject matter in 2006 when it granted cert in *Laboratory Corp. of America v. Metabolite Laboratories*, but then dismissed the writ as being improvidently granted (DIG), see 548 U.S. 124, 125 (2006).

3. See *Bilski v. Kappos*, 130 S. Ct. 3218, 3229, 3231 (2010) (holding business methods are patentable, but invalidating the method on hedging risk in a sale of commodities as an attempt to patent an abstract idea).

4. See *Ass'n for Molecular Pathology v. U.S. Patent & Trademark Office*, 689 F.3d 1303, 1325 (Fed. Cir. 2012) (holding that isolated DNA sequences are patentable discoveries), cert granted in part U.S.L.W. 3199 (U.S. Nov. 30, 2012) (No. 12-398).

5. See *Mayo Collaborative Servs. v. Prometheus Labs.*, 132 S. Ct. 1289, 1294 (2012) (invalidating a patent on a medical diagnostic technique as an invalid attempt at patenting a law of nature).

6. *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980); see also *Diamond v. Diehr*, 450 U.S. 175, 185 (1980) (stating that "[e]xcluded from such patent protection are laws of nature, natural phenomena, and abstract ideas").

7. There are far too many to cite in a footnote, especially in a short essay, and so a representative sample will have to suffice. See, e.g., *Bilski*, 130 S. Ct. at 3239–46 (Stevens, J., concurring); In re *Bilski*, 545 F.3d 943, 966–76 (Fed. Cir. 2008) (Dyk, J., concurring), rev'd, *Bilski v. Kappos*, 130 S. Ct. 3218 (2010); Joshua D. Sarnoff, *Patent-Eligible Inventions After Bilski: History and Theory*, 63 HASTINGS L.J. 53, 61 (2011).

8. *Bilski*, 130 S. Ct. at 3239–46 (Stevens, J., concurring) (invoking the Founders, quoting

history, though, and Professor Risch's article nicely articulates them, albeit some more explicitly than others. In this short essay, I will briefly discuss two of them.

First, his historical study calls into question many arguments today about patentable subject matter doctrine.<sup>9</sup> If anything, these arguments were the reason why he undertook the herculean task of reading and coding approximately 3,700 patents issued between 1790 and 1839.<sup>10</sup> Despite many claims today about long-established historical practices concerning what inventions were or were not excluded from the patent system, the actual patents that issued to inventors in the first fifty years of the American Republic, in Professor Risch's words, are a "largely ignored body of information."<sup>11</sup>

As a result of this study of early patents, many historical arguments about patentable subject matter doctrine drop like flies, including Justice Stevens' long-held view that Congress must expressly approve of patents for new types of inventions or discoveries<sup>12</sup> and the Federal Circuit's claim in *Bilski* that the machine-or-transformation test is rooted in indisputable historical precedent.<sup>13</sup> Perhaps most important, the historical legal rule that abstract "principles" are not patentable did not mean what we think it means (to paraphrase Inigo Montayo).<sup>14</sup>

The confusion about the prohibition on abstract "principles," which Professor Risch shows was originally a rule of construction,<sup>15</sup> brings us to the second reason to care about history: modern legal rules, and the institutions that apply them, were formed in an earlier era and thus it behooves us to understand the conceptual structure and the normative policies that were built into this doctrine. This is a particularly pressing concern in patentable subject matter doctrine, because, as Professor

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Thomas Jefferson's views on patents, quoting Noah Webster's first American dictionary, and detailing early English cases because "[t]he Constitution's Patent Clause was written against the 'backdrop' of English patent practices . . .").

9. Risch, *supra* note 1, at 1282-1285.

10. *Id.* at 1281-82.

11. *Id.* at 1281.

12. *See Bilski* 130 S. Ct. at 3239 (Stevens, J., concurring) (rejecting business method patents in part because this will "go beyond what the modern patent 'statute was enacted to protect'") (quoting *Parker v. Flook*, 437 U.S. 584, 593 (1978)); *Parker v. Flook*, 437 U.S. 584, 596 (1978) ("We would require a clear and certain signal from Congress before approving the position of a litigant who . . . argues that the beachhead of privilege is wider, and the area of public use narrower, than courts had previously thought.") (quoting *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 531 (1972)); *Diamond v. Diehr*, 450 U.S. 175, 216-17 (1980) (Stevens, J., dissenting) ("The broad question whether computer programs should be given patent protection involves policy considerations that this Court is not authorized to address.").

13. *See In re Bilski*, 545 F.3d 943, 961-62 (Fed. Cir. 2008) (Dyk, J., concurring), *rev'd*, *Bilski v. Kappos*, 130 S. Ct. 3218 (2010).

14. *THE PRINCESS BRIDE* (20th Century Fox 1987).

15. *See Risch, supra* note 1, at 1296-97.

Risch reminds us, “[t]he statutory definition of patentable subject matter has not changed significantly since 1790.”<sup>16</sup> As he makes clear in his analysis of the meaning of “principle” in early American patent jurisprudence, much confusion in the law can arise when we are not properly mindful of our origins.<sup>17</sup>

What is most revealing, despite this confusion, is that early Americans did not think that the patent system secured only “technology” in the narrowest sense of this term, i.e., machines or a particular physical transformation of material objects.<sup>18</sup> As they did in so many other areas of patent law,<sup>19</sup> early Americans broke with English precedent and permitted the patenting of processes.<sup>20</sup> These upstart Americans even had the audacity to consider business methods to be patentable processes!<sup>21</sup>

Professor’s Risch’s discovery of early Americans’ favorable attitude toward patenting new forms and types of inventions is consistent with my own review of the historical record, in which I found that patents were defined by courts as fundamental civil rights securing property rights in inventions.<sup>22</sup> As such, Congress, the Patent Office, and courts

16. *Id.* at 1334.

17. *Id.* at 1300–04. As Professor Risch shows, early American judges were just as confused about “principle” as we are today, because they cited to English patent cases, which excluded processes as unpatentable “abstract principles.” The American patent system, however, permitted patenting of processes, and it was common to refer to patents generally as securing the “principle” of an invention. *See, e.g.*, *Blanchard v. Beers*, 3 F. Cas. 617, 617–18 (C.C.D. Conn. 1852) (No. 1506) (instructing a jury that “in his specification, the patentee explains *the principle* embodied in his machine, in other words, the novel characteristics or inventive elements of the machine”) (emphasis added). These two senses of “principle”—the valid sense of the invention and the invalid sense of an abstract idea—are invoked in tandem in early American case law, and scholars and judges today have not done enough to ensure that they have disentangled them. *Cf.* Adam Mossoff, *Who Cares What Thomas Jefferson Thought About Patents? Reevaluating the Patent “Privilege” in Historical Context*, 92 CORNELL L. REV. 953, 967–85 (2007) (discussing the different senses of “privilege,” as used in historical legal documents in patent law, and similarly criticizing patent scholars today for failing to distinguish between these different meanings).

18. *See* Risch, *supra* note 1, at 1327.

19. *See* Adam Mossoff, *Patents as Constitutional Private Property: The Historical Protection of Patents Under the Takings Clause*, 87 B.U. L. REV. 689, 705 (2007) (discussing how American judges extended constitutional protection to patentees against unauthorized uses by the government in direct contravention to English patent practice); Adam Mossoff, *A Simple Conveyance Rule for Complex Innovation*, 44 TULSA L. REV. 707, 713–14 (2009) (discussing how American courts secured free alienation rights to patent-owners in direct contravention to English patent practice).

20. *See* Risch, *supra* note 1, at 1297–99.

21. *See id.* at 1294–96, 1320–24.

22. *See generally* Mossoff, *supra* note 17 (describing how early American patent law developed within the political and constitutional atmosphere of the first two hundred years of the country’s history, and how patents were defined by courts as civil rights securing property rights).

treated patents liberally and expansively.<sup>23</sup> This was directly contrary to the well-established legal rule governing the adjudication of monopoly grants, like bridge franchises, which were construed narrowly against franchisees in favor of the public given that these monopoly grants were deemed to violate common law property rights.<sup>24</sup> Professor Risch's study further confirms that the judiciary's favorable view of patents as fundamental civil rights securing property rights in inventions was not an anomaly.<sup>25</sup>

Of course, there is an important limitation to Professor's Risch's study of these early patents: what early American inventors thought was patentable may not be a reliable source of information about early American patent policy. For a significant period of his study (1793–1836), patent applications were not examined and thus patents issued regardless of their validity.<sup>26</sup> Many early American inventors had no formal schooling or at least they lacked training in the field in which they made their innovative discoveries, including many famous patentees, such as Samuel Morse, Elias Howe, Jr., Charles Goodyear, and Eli Whitney.<sup>27</sup> From 1793 to 1836, inventors were left free by the registration system to patent whatever their hearts desired, even if they were not exactly clear about what they had accomplished or were unable to identify it clearly in the patent.<sup>28</sup> Moreover, patent attorneys were striking out into undiscovered territory in a patent system that departed in significant ways from English patent practice.<sup>29</sup> This not only explains perhaps the confusing and sometimes incoherent patents found by Professor Risch,<sup>30</sup> it suggests that court opinions concerning these patents take on even greater importance, especially as indicators of historical patent policy.

As courts today continue to decide patentable subject matter cases,<sup>31</sup>

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23. *See id.* at 998–1009.

24. *See id.* at 1000–01 (contrasting judicial treatment of property rights secured in patents versus the judicial treatment of the monopoly franchise in the famous case of *Charles River Bridge v. Warren Bridge*, 36 U.S. (11 Pet.) 420 (1837)).

25. As further evidence of this point, nineteenth-century judges repeatedly and explicitly rejected legal claims against patentees based in the “public domain.” *See Jordan v. Dobson*, 13 F. Cas. 1092, 1095 (C.C.E.D. Pa. 1870) (No. 7519)7,519) (Strong, Circuit Justice); *see also Mossoff, supra* note 17, at 1007–08 (discussing this and other cases).

26. *See Risch, supra* note 1, at 1282.

27. *See Adam Mossoff, The Rise and Fall of the First American Patent Thicket: The Sewing Machine War of the 1850s*, 53 ARIZ. L. REV. 165, 175–76 n.66 (2011).

28. *See Risch, supra* note 1, at 1288–91.

29. *See supra* notes 16–19 and accompanying text.

30. *See Risch, supra* note 1, at 1287–94.

31. *See, e.g., SmartGene v. Advanced Biological Labs.*, 852 F. Supp. 2d 42, 55 (D.D.C. 2012) (applying *Mayo v. Prometheus* to invalidate a patented computer program as an “abstract idea”).

especially given the recent cert grant in the Myriad Genetics case,<sup>32</sup> judges and scholars will likely be grappling with Professor Risch's findings. But his study speaks more broadly about the patent system, too. It cautions us against assuming that the American patent system was born like Athena fully formed and complete from the English system whence it came. The commonplace adage that "[t]he Constitution's Patent Clause was written against the 'backdrop' of English patent practices"<sup>33</sup> obscures more than it illuminates the many ways that early American patent law diverged from its English predecessor. That these early American patent rules and institutions continue to exist today makes it even more important that we understand properly how and why they came to be.

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32. See *Ass'n for Molecular Pathology v. U.S. Patent & Trademark Office*, 689 F.3d 1303, 1325 (Fed. Cir. 2012) (holding that isolated DNA sequences are patentable discoveries), *cert granted in part* U.S.L.W. 3199 (U.S. Nov. 30, 2012) (No. 12-398).

33. *Bilski v. Kappos*, 130 S. Ct. 3218, 3239 (2010) (Stevens, J. concurring) (quoting *Graham v. John Deere Co. of Kan. City*, 383 U.S. 1, 5 (1966)).