

## **Stanford Law Review Symposium**

### **Summary of Panel 1: Patent Law & Policy**

The first panel, as the name suggests, took a general look at the current state of patent law and its relationship to innovation. In order to understand where we sit today, Peter Menell, Law Professor at U.C. Berkeley, offered an overview of the history of patent law and the differences between a flexible, common-law like approach to its interpretation and a stricter, text-based statutory approach. He argued that the latter approach is an inappropriate one, because Congress cannot possibly maintain those statutes in the face of ever-evolving technology. And *Bilski* itself represents superficial textualism and a missed opportunity to return patent-law interpretation to its technological moorings.

Stanford Law Professor Mark Lemley then offered a summary of *Bilski* and its message that the Federal Circuit's bright-line approach was impermissible. The Court failed to offer an adequate alternative, however, indicating that the machine-or-transformation (MOT) test is still a helpful inquiry, but that the key consideration is whether an invention is too abstract to be patented. Since *Bilski*, lower courts have overwhelmingly continued to use the MOT test as a gateway inquiry. And the Federal Circuit has since weighed in as well, but its two post-*Bilski* decisions have moved in opposite directions: one indicating that the MOT test is now dead and the other endorsing its continued vitality. Professor Lemley suggested that the "abstractness test" outlined in *Bilski* is perhaps most helpful in cases involving excessively broad ("abstract") patent claims that might stifle continued innovation in an area.

However, Steven Weiner, Vice President of Intellectual Property and Strategic Planning at SRI International, disagreed with the concern about broad patents stifling innovation—at least in the software realm. IP giants, he said, stay on top because of factors unrelated, or only tangentially related, to patents. He argued that empirics show that broad software patents have not chilled innovation; rather, they are an appropriate means of encouraging and rewarding innovation.

Finally, Morgan Chu, a partner at Irell & Manella, suggested that we consider the broader context in which the "*Bilski* battle" is taking place. He contended that the United States has become an innovation economy, and that our IP laws were critical to the development of that economy and our continued success on this path. Accordingly, those laws must strike a balance between encouraging innovation and not stifling innovation. So, although many have argued that the Supreme Court "punted" when deciding *Bilski*, there is another way to look at it: perhaps *Bilski* is insightful in its modesty. A brightline rule would affect every industry and technology differently, and there are many technologies that have not yet been developed. So here we must tread slowly and carefully, and that is just what *Bilski* does.

The panel was moderated by Dr. Roberta Morris, a lecturer at Stanford Law School.

### **Summary of Panel 2: Products of Nature and Diagnostic Patents**

The first speaker on the second panel was Professor Rochelle Dreyfuss of New York University, who argued that the patent system must not permit patent-holders to preempt broad fields of research. Using the field of genetic diagnostics as a case study, Professor Dreyfuss

proposed that the patent system should inquire into whether a claimed process could be “invented around” as a clue to patentability. Professor Dreyfuss was followed by Professor Robin Feldman of the University of California at Hastings, who illustrated her own theory of patentable subject matter and preemption by focusing on the recent case challenging gene patents (*Ass’n for Molecular Pathology v. U. S. Patent & Trademark Office*). The third speaker, Gary Loeb, represented a non-academic perspective from his experience as Vice President of Intellectual Property at Genentech. Mr. Loeb urged a distinction between medical tests aimed purely at diagnosis and those tied to potential therapeutic use, supporting stronger patent protection for the latter category. Finally, Vern Norviel of Wilson Sonsini Goodrich & Rosati compared patent protection in the biotechnology and computer technology realms. He described the higher barriers to research in the biotechnology field, and argued that there was a correspondingly greater need for patent incentives. The panel was ably moderated by Professor Michael Risch of Villanova University, whose research focuses on intellectual property and cyberspace law.

### **Summary of Panel 3: Software and Business Methods**

Four panelists spoke in the business methods and software session on Saturday morning. The panel was moderated by Dr. Stefania Fusco, a lecturer at Santa Clara University School of Law.

First was George Washington University Law Professor John Duffy, who put forth his alternative thesis about the rise of business methods patents. While conventional wisdom says it was an activist court, the actual reason for the rise of such patents is not a legal issue at all. Rather, Wall Street and the financial services industry started to get more and more technical in the last few decades, and with the birth of “financial engineering” came an increase in financial patents.

Second was U.C. Berkeley Law School Clinical Professor Jason Schultz, who gave his assessment of the recent *Bilski* decision and the many “clues” it left for lower court judges about how to determine patentable subject-matter. He described what the interim guidelines for the Patent and Trademark Office can tell practitioners.

Third was Morrison & Foerster partner Marc Pernick, who said that it used to be rare that anyone gave serious consideration to a Section 101 defense (non-patentability based on patentable subject matter), but now those defenses are here to stay. He stressed the great opportunities for clients to take advantage of summary judgment in such cases by thinking up areas where attorneys can build up a potential for factual disputes.

Fourth was David Jones, Director of Intellectual Property Strategy at Microsoft, who urged the panel to acknowledge that there is no consistency in what constitutes a software patent. He said there is much discussion among attorneys and judges about whether a non-physical transformation can be patentable. Is mere data manipulation and or display sufficient to give you eligibility for a patent? He then showed a slide with many examples of such data manipulation ranging from the wristwatch to the radio to the telephone and said that question had already been answered in the affirmative. “The very issue that we’ll probably spend the next 20 years debating is the issue that has been answered by the Supreme Court . . . . If you have physical means—a physical computer with physical charges in it that’s representing the data—[the] Supreme Court has said historically that, yeah, you can get a process patent covering that.”

