

PATENT-INELIGIBILITY AS COUNTERACTION

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A restriction on the patent-eligibility of a technology under section 101 of the Patent Act is conventionally understood to cause the patent regime as a whole to discriminate against the availability of patent protection for that technology. In contrast, this Article argues that restrictions on patent-eligibility can alternatively work to counteract or neutralize technology-specific biases in the “patentability conditions” (i.e., patent law’s validity doctrines other than patent-eligibility such as novelty, nonobviousness, and enablement) toward expansive protection. This *counteraction theory* gives rise to an original consequentialist justification for the restrictions on patent-eligibility. The conventional justification seeks to explain why the affected technology should receive weaker patent protection than other technologies receive. A justification based on counteraction posits that the affected technology merits patent protection that is roughly on par with the protection that other technologies receive and seeks instead to explain the conditions under which the patentability conditions produce technology-specific biases toward expansive protection that need to be counteracted.

To explain these biases, this Article introduces the concept of *regulatory inefficacy*. Some patentability conditions can only do the cost-reducing work of regulating what constitutes permissible patent protection when the claimed technologies possess the fundamental properties of material technologies, and some dematerialized technologies at the heart of our contemporary knowledge economy lack those properties. Therefore, the patentability conditions suffer from technology-specific inefficacy. They afford heretofore hidden, preferential treatment to patent applicants on a technology-specific basis. Well-tailored restrictions on patent-eligibility can counteract this preferential treatment, bringing permissible patent protection back into closer alignment with the protection that is available for other technologies.

In addition to identifying both the counteraction theory of patent-ineligibility and the concept of regulatory inefficacy as theoretical possibilities, this Article offers proof of concept. It demonstrates that certain patentability conditions suffer from regulatory inefficacy when patents claim both diagnostic inferences and computer software, two dematerialized technologies at the front lines of the ongoing battles over patent-ineligibility. Finally, this Article examines the imperfect “fit” between the restrictions on patent-eligibility recently announced by the Supreme Court in *Mayo v. Prometheus* for diagnostic inferences and *Alice v. CLS Bank* for computer software, on the one hand, and the restrictions that are justified under a counteraction theory of patent-ineligibility, on the other.