

Patentable Subject Matter from First Principles: An Institutional Approach

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Recent years have seen a resurgence of interest in the patent eligible subject matter question by the Supreme Court, which has decided four cases on the doctrine since 2010. Despite this surge of interest, there remains a general malaise with the doctrine among commentators. This Article argues that the unsatisfactory state of patentable subject matter theory and doctrine stems from patent law's focus on a single innovation context -- the market. The patentable subject matter question cannot be addressed satisfactorily from within the market paradigm, however. Instead, it should be understood as delineating a choice between alternative innovation regimes or institutions.

The patent system is designed to facilitate innovation by solving certain market failures. It is not the only mechanism for avoiding those market failures, however. There are a number of alternative approaches ranging from government subsidy to informal norms. Depending on the technological context, these alternative institutions may be more or less effective than patents and more or less costly to administer and use. Because patentable subject matter doctrine inescapably molds choices between innovation institutions, it should take alternatives into account explicitly. Indeed, managing the interface between the patent system and alternative innovation institutions should be its primary job. A more forthright recognition of the patentable subject matter's institutional role would sharpen and clarify the doctrine. The Article considers what an institutionally conscious patentable subject matter doctrine would look like generally. It then analyzes the natural phenomenon exemption in more detail as an illustrative example.