IP Musings with Learned Paw and Percy the Lizard

April 2017, Issue No. 8

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SCA Hygiene Products Aktiebolag et al. v. First Quality Baby Products, LLC, et al. (March 2017). The Supreme Court held that the defense of laches (i.e., the plaintiff unreasonably delayed) cannot be raised in patent cases brought in accordance with 35 U.S.C. § 286, which the Court deemed as a statute of limitations.

In dissenting, Justice Breyer underscored the difference between a typical statute of limitations and 35 U.S.C. § 286, which states, in part, "[N]o recovery shall be had for any infringement committed more than *six years prior to the filing of the complaint*." [emphasis added] Clearly, the statute does not set a time limit, from the time of infringement, beyond which the plaintiff may not seek legal relief.

In delivering the majority opinion, Justice Alito extended the Court's rationale in *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 572 U.S. ___ (2014), that "[L]aches cannot be invoked to bar legal relief." *Petrella*'s original ruling applied to copyright cases filed within the 3-year statute of limitations period of the Copyright Act. In *SCA*, Justice Alito did not recognize the difference in the nature of time periods set by the Copyright Act and 35 U.S.C. § 286.

ABA's Proposal for Amending 35 U.S.C. 101 (March 2017) The Intellectual Property Law Section of the American Bar Association (ABA) forwarded a copy of their proposed legislative amendment to 35 U.S.C. 101 to Director Lee at the USPTO. In January, Intellectual Property Owners Association (IPO) had adopted a resolution supporting a different legislative proposal to amend 35 U.S.C. 101. A legislative amendment in accordance with either of the proposals would overturn *Mayo* and *Alice*, recent Supreme Court decisions.

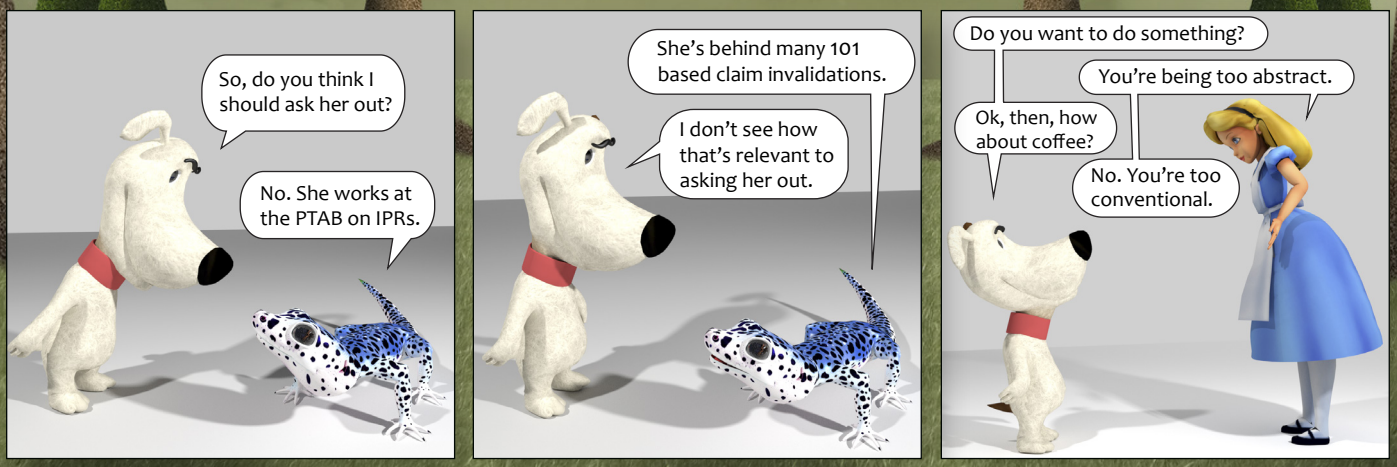
In the ABA proposal, the patent eligibility of a claim depends on whether the claim is directed to a *practical application*, regardless of whether the subject matter involves a law of nature, natural phenomenon, or abstract idea. The ABA proposed Section 101 reads, in part,

> (b) Exception: . . . Patent eligibility under this section shall not be negated when a *practical application* of a law of nature, natural phenomenon, or abstract idea is the subject matter of the claims. [emphasis added]

In contrast, the corresponding portion of the IPO proposed Section 101 reads, in part,

> (b) SOLE EXCEPTON TO SUBJECT MATTER ELIGIBILITY: A claimed invention is ineligible … if the claimed invention … exists in *nature independently of and prior to any human activity, or exists solely in the human mind*. [emphasis added]

The IPO version redefines the categories of patent ineligible subject matter as those "existing independently of and prior to any human activity" and existing "solely in the human mind," taking a different approach.



First Published in Patently-O