Eastern District of Texas Bench Bar 2022

Only Valor and Swagger: Conversation with Director Vidal and Former Director Iancu

Wednesday, October 26, 2022

1:45 pm – 2:30 pm

[45 minutes]

Brochure Description

[TBA]

Panelists:

Director Kathi Vidal (April 2022 – present . . . 1 term = 33 months)

Former Director Andrei Iancu (served February 2018 – January 20, 2021 [35 months])

Moderator: Danielle Williams

TOPICS

1. 101
   1. There appears to be consensus across stakeholders that subject matter eligibility needs to be addressed. We’ve seen different groups take different actions. The Supreme Court declined to take up American Axle in June. Sen. Tillis introduced the Patent Eligibility Restoration Act of 2022 in August which would overrule Myriad and Mayo and eliminate judicially created exceptions to patent eligibility, among other impacts. Director Vidal announced at the IPO annual meeting that the office is considering issuing guidance on the conditions for patentability (comment period closed earlier this month) and reportedly told Bloomberg Law that “a lot of what needs to happen is really something that needs to happen in Congress” and is “standing by and supporting any way we can” Sen. Tillis’s proposed legislation. <https://news.bloomberglaw.com/ip-law/patent-eligibility-needs-congressional-action-pto-director-says>
      1. KV Questions
         1. What is the PTO’s role at this point now that legislation has been introduced?
         2. What can the guidance address?
         3. By when could it issue?
         4. What is the interplay between Congress and PTO for the proposed legislation or any other legislation?
         5. If you had unfettered power to modify Section 101 jurisprudence or the statute, what would you change, if anything?
         6. We’ve had proposed legislation and this kind of talk about corrective action. How do we know the issue is advancing versus déjà vu all over again?
         7. Are there any early observations to share about the Deferred Subject Matter Eligibility Response pilot program?
      2. AI Questions
         1. The 2019 Guidance implemented during your tenure reportedly resulted in a drop in the corps-wide eligibility rejection rate from about 25% in 2018 to about 8% in 2022. Why did you implement the 2019 Guidance versus pushing legislation?
            1. <https://www.uspto.gov/blog/director/entry/providing-clear-guidance-on-patent>
         2. You’ve been quoted as saying: “I applaud Senator Tillis for introducing this important legislation to fix our nation’s patent eligibility laws, and to pave the way for America’s continued technological and economic leadership. This bill is an important milestone in the effort to modernize our patent laws, and to clear up the confusion caused by recent jurisprudence as to what is patentable and what is not. America’s innovation economy depends on a clear, predictable and well-balanced patent system, which is precisely what Senator Tillis’s legislation would promote in this important area of law.” What is your role with the legislation?
            1. <https://www.ipwatchdog.com/2022/08/03/tillis-patent-eligibility-bill-overrule-myriad-mayo/id=150586/>
         3. What makes now the right time for updated guidance and legislation? Just the Supreme Court’s decision not to take up American Axle or something else?
         4. Does Sen. Tillis’s legislation go far enough or too far?
         5. What are the headwinds for passage of Sen. Tillis’s legislation?
         6. If you had unfettered power to modify Section 101 jurisprudence or the statute, what would you change, if anything?
2. Artificial Intelligence policy
   1. Some corporations have said the current eligibility regime is “biased against computer-related inventions because abstraction is a foundational characteristic of computer science” which puts AI inventions at an inherent disadvantage because applicants will be forced to narrow their claims more than necessary. They’ve also said “lack of clarity and uncertainty on § 101 eligibility could allow other countries to command a greater share of the market because of a void in U.S. policy.” <https://www.aei.org/technology-and-innovation/public-comments-on-patent-eligibility-elevate-issues-surrounding-artificial-intelligence/>
   2. KV Questions
      1. Are you considering AI innovation separately?
      2. What are the opportunities here?
      3. South Africa granted a patent to DABUS (an AI inventor); Australia’s Federal Court has flip-flopped on the issue; our Federal Circuit ruled this year as well that only a natural person can be an inventor, “so AI cannot be.” Germany suggested Thaler and DABUS could be listed together. If the US adopts a workable solution for AI, can that give the US an advantage in global innovation? How so?
         1. All of the jurisdictions addressing the issue have looked at innovations from Stephen Thaler’s DABUS system.
         2. <https://www.ipwatchdog.com/2021/07/29/dabus-gets-first-patent-south-africa-formalities-examination/id=136116/>
         3. <https://www.brookings.edu/blog/techtank/2022/08/25/patents-and-ai-inventions-recent-court-rulings-and-broader-policy-questions/#:~:text=The%20Federal%20Circuit%20concluded%20that,%2C%20so%20AI%20cannot%20be.%E2%80%9D>
      4. Are you evaluating rulemaking for AI?
   3. AI Questions
      1. [TBD]
3. Diversity of innovation
   1. You both champion inclusive innovation. We can see that in AI’s creation of the National Council for Expanding American Innovation now known as the Council for Inclusive Innovation (CI2) in 2020, and KV’s vice chair of CI2, expansion of CI2 to include register of copyrights, director of NIST, NSF director, commerce under-secretary for minority development, and assistant commerce secretary for economic development, as well as your work to make significant resources available on the USPTO website in just the first 3 months of becoming director.
   2. KV Questions
      1. What are the key components of your inclusive innovation strategy?
      2. What are your most significant challenges to inclusion in innovation?
      3. Where do you see the biggest opportunities to advance inclusion in innovation?
      4. How will you measure success? When will you be able to measure?
   3. AI Questions
      1. You’ve described the creation of the council as “something I probably am most proud of” and “one of the most important initiatives for the United States economy going forward.” Now that you’re back in the private sector how do you support the initiative?
         1. https://www.aei.org/technology-and-innovation/assessing-uspto-director-andrei-iancus-tenure-part-i/
      2. For the private sector, where are the biggest opportunities to advance inclusion in innovation?
      3. For the private sector, what are the biggest challenges and how have you overcome them since leaving the USPTO?
4. Geopolitics
   1. You recently toured Asia, meeting with IP leaders from a number of countries. One global issue that impacts many of us in this room is Standards Essential Patents (SEPs). Standards are global, but patents are regional. The Eastern District saw some of this in connection with the Ericsson v. Samsung litigation related to FRAND issues. Samsung secured an anti-suit injunction from a court in Wuhan, and the Eastern District court granted a preliminary injunction or an anti-anti-suit injunction. The parties settled before the Federal Circuit ruled. Last month, China’s SPC (Supreme People’s Court) affirmed Chinese courts can set global FRAND licensing rates for SEPs based on a nexus to China.
      1. https://www.natlawreview.com/article/china-s-supreme-people-s-court-again-affirms-right-to-set-global-frand-rates
   2. KV Questions
      1. Where do you see the opportunity for the USPTO to make the most impact here?
   3. AI Questions
      1. Now that you are in the private sector, what concerns you the most about SEP and FRAND for the United States?
      2. Where should we be paying attention?
5. Lightning round – 20 seconds or less per question [if time]
   1. KV Questions
      1. What has been your favorite part so far?
      2. What do you miss most about the private sector?
      3. What do you like best about the government sector?
      4. What do you think would surprise us the most to know about your current job?
      5. What topics or issues should we be following the most based on what you’re doing?
   2. AI Questions
      1. What has been your favorite part so far returning to private practice?
      2. What do you miss most about the government sector?
      3. What did you like best about the government sector?
      4. What do you think would surprise us the most to know about your former job as director?
      5. What topics or issues should we be following the most based on your time as director?