

**Institutional Design for Innovation:  
Better Solutions for Addressing 101 Statutory Subject Matter**

Kristen Osenga  
Professor of Law, University of Richmond School of Law

Statutory subject matter, the types of inventions that are eligible to receive patent protection, is an important – and controversial—issue in the new innovation economy. Technologies at the cutting edge, including the Internet of Things, financial systems like blockchain, gene-based medicine, and more, are all implicated in recent debates about which, if any, of these technologies can be patented. Due to its economic importance (and persuasive lobbies on both sides), legislative reform of statutory subject matter has yet again risen to the forefront.

However, statutory subject matter is not a problem that can be easily fixed through minor (or even major) legislative reform. Further, attempts to fix statutory subject matter have already occurred at the judicial level, yielding incoherent guidance from the courts, and at the administrative level, creating great uncertainty in the patent system. Patent eligible subject matter is a much more complex, with significant path dependency issues and multiple layers of redundancy. Piecemeal approach to statutory subject matter reform is likely to frustrate innovation, not encourage it. It is thus important to analyze and reform statutory subject matter with a careful eye towards institutional competencies and priorities. This project will approach statutory subject matter using an institutional design approach, rather than looking to one institution or another, to better account for these competencies and priorities, paths and redundancies.

To understand the current state of statutory subject matter across the range of institutions that grapple with the issue, this project will look at a sample set of statutory subject matter decisions across a number of these institutions, including the Patent Office examining corps, the Patent Trial and Appeal Board (PTAB), the district courts, the Court of Appeals for the Federal Circuit, and the Supreme Court. From this set, the project will study three points that are important for institutional design: 1) How did the issue come before the particular institution? 2) What approach/method did the institution take to decide subject matter eligibility? And 3) Where, if anywhere, did the case go next? Based on these inquiries, the project then will propose a multi-layered approach to statutory subject matter reform that will better advance the innovation economy today and in the future.