ARE Patent Law Alert:
Supreme Court Grants Cert For *In re Bilski*

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(June 1, 2009) Today, the U.S. Supreme Court granted a petition for writ of certiorari in the case *In re Bilski*. The petition seeks to overturn a decision by the Federal Circuit, sitting en banc, in which the majority held that the "governing" test for determining patent eligibility of a process under 35 U.S.C. § 101 is the so-called "machine-or-transformation" test. Under this test, a patent-eligible process must either be tied to a particular machine or apparatus or must transform a particular article into a different state or thing. Applying this test, the Federal Circuit affirmed the rejection of the Petitioner Bilski's business method patent application by the U.S. Patent and Trademark Office. For a more detailed analysis of the Federal Circuit's decision and the "machine-or-transformation" test as adopted by the majority opinion, please see Charles R. Macedo, *Processes must be tied to machine or transform matter to be patent-eligible in the United States*, Journal of Intellectual Property Law and Practice (January 27, 2009), and Charles R. Macedo and David Boag, *The 'Machine Or-Transformation Test' For Processes*, IP Law 360, Portfolio Media, New York (October 30, 2008) (both available at http://www.arelaw.com/articles/).

The questions presented for review in the petition for *writ of certiorari* were the following:

Whether the Federal Circuit erred by holding that a "process" must be tied to a particular machine or apparatus, or transform a particular article into a different state or thing ("machine-or-transformation" test), to be eligible for patenting under 35 U.S.C. § 101, despite this Court's precedent declining to limit the broad statutory grant of patent eligibility for "any" new and useful process beyond excluding patents for "laws of nature, physical phenomena, and abstract ideas."

Whether the Federal Circuit's "machine-or-transformation" test for patent eligibility, which effectively forecloses meaningful patent protection to many business methods, contradicts the clear Congressional intent that patents protect "method[s] of doing or conducting business." 35 U.S.C. § 273.

Having granted the petition for writ of certiorari, it appears that the Supreme Court will now consider the parameters of patent-eligible subject matter. As a result, the Supreme Court's ultimate decision in this case could have important consequences for numerous issued patents and pending applications, particularly in the financial services, life sciences, and computer software, information technology and internet fields.

Because of the important issues presented by this case, we submitted a amici curiae brief on behalf of Reserve Management Corporation, PCT Capital LLC, Rearden Capital Corp. and Sales Optimization Group to the Federal Circuit, which addressed the two issues now presented before the Supreme Court. A copy of that brief is available at http://www.arelaw.com/attorney/cmacedo. There were also a number of other *amici curiae* briefs submitted to the Federal Circuit. For a summary of the positions taken in the briefing to the Federal Circuit on *In re Bilski*, see Charles R. Macedo, *In re Bilski Roll Call and Score Card*, IP Law360, April 23, 2008 (available at http://www.arelaw.com/articles/articles.html).

Please feel free to contact us to learn more about this case and its impact on U.S. Patent law.

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