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Supreme Court Affirms Decision in *Bilski v Kappos*

INTELLECTUAL PROPERTY LAW ALERT

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Scott Chambers
703-744-8085
schambers@pattonboggs.com

Kevin Bell
703-744-8065
kbell@pattonboggs.com

WWW.PATTONBOGGS.COM

On June 28, the U.S. Supreme Court affirmed the Court of Appeals for the Federal Circuit's decision that the underlying invention of *In re Bilski* was not patent eligible. The Supreme Court held that the machine-or-transformation test is only "a useful and important clue or investigative tool" for determining whether process claims are directed to statutory subject matter under Section 101 of the Patent Act, 35 U.S.C. §101 (*Bilski v. Kappos*, U.S., No. 08-964, 6/28/10). According to the Court, the machine-or-transformation test "is not the sole test for deciding whether an invention is a patent-eligible 'process' under §101." Instead, "[t]he Court is unaware of any ordinary, contemporary, common meaning of 'process' that would require it to be tied to a machine or the transformation of an article."

While retiring Justice Stevens, along with three other justices, would have found business methods unpatentable, that viewpoint was explicitly rejected by the majority. The opinion stated: "The Court is unaware of any argument that the 'ordinary, contemporary, common meaning'...of 'method' excludes business methods," citing its ruling nearly 30 years ago in *Diamond v. Diehr*, 450 U.S. 175, 182 (1981).

More importantly, the opinion offered no encouragement for those who would like to restrict the scope of patentable subject matter, such as the recent district court decision in *Assoc. for Molecular Pathology et al. v. U.S. Patent and Trademark Office et al.* (aka Myriad gene patenting case) (invalidating claims and methods directed to human gene patents). Instead, the Court found the U.S. patent system to be open, flexible and inclusive for all forms of innovation. Thus, the Court indicated they could accept a level of ambiguity regarding what was patentable to preclude foreclosing future technology.