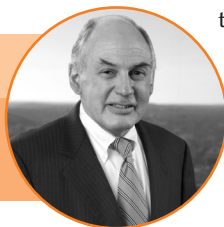


Supreme Court Decision on Patentability sends Patentability Issues Back to Known Grounds

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ORLANDO
LOPEZ

is a Partner in the Firm's Intellectual
Property / SciTech Group.



In a very split decision at the end of the term, the Supreme Court decided *Bilski v. Kappos*, a case related to the patentability of method claims. The Supreme Court decision relegated the "Machine or Transformation test," instituted by the Federal Circuit's decision on *Bilski*, to a useful clue but not the ultimate test. This returns the patentability question to the decisions of the Court in *Benson*, *Flook* and *Diehr*. The Court also rejected the "useful, concrete and tangible result" test that the Federal Circuit had postulated in *State Street* and had repudiated in its *Bilski* decision. The majority decision of the Supreme Court states that business methods are patentable, a position opposed by the "concurring" minority opinion written by Justice Stevens.

In terms of defending patent applications at the USPTO (the Patent Office), the decision does not significantly change our practices. Since what used to be a test is now a clue, the examiner will first determine whether the clue is present. If the machine or transformation clue is present, the examiner faces a heavier burden to show that the method claim is not patentable. If the clue is not present, the applicant has the burden

to show that the method claim is patentable. We have previously been successful in drafting claims that satisfied the Machine or Transformation test, and we will continue these practices in order to expedite prosecution at the Patent Office.

In terms of attacking the validity of patents in litigation, the Supreme Court's *Bilski* decision places the issue of patentability of method claims back in the same place it was before the Federal Circuit decision. Relegating the Machine or Transformation test to a clue introduces uncertainty in the determination of patentability, since the *Benson*, *Flook* and *Diehr* opinions provide guidelines but not definite tests. The majority opinion utilized one of the other, long agreed by all, exceptions to patentable subject matter, the un-patentability of abstract ideas, in order to declare *Bilski*'s claims not patentable; however, as the minority points out, the Supreme Court has not provided a clear definition of what constitutes an un-patentable abstract idea. The *Bilski* decision of the Supreme Court makes challenging the validity of a method claim a more difficult task than it was under the Machine or Transformation test; however, we have been successfully operating in that landscape in all the time prior to the Federal Circuit's *Bilski* decision, and have mapped out approaches for effectiveness after the present decision.

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Massachusetts Offices
Boston (HQ) 617.345.3000
Hingham, Waltham

Rhode Island Office
Providence 401.831.8330

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burnslev.com

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