BUSINESS AS USUAL AFTER *BILSKI* ?

by William Loginov D'85 and Paul Tanpitukpongse

June 28, 2010. In one of the most highly anticipated Supreme Court decisions in the field of patents, *Bilski v. Kappos*, the Supreme Court overruled the Federal Circuit's decision, thus rejecting the Federal Circuit's Machine and Transformation test as the exclusive test to define what constitutes patentable subject matter. Continuing to rely upon past judicial precedents, the Court emphasized the Machine and Transformation test is *a clue* to the determinability of a patentable "process", thus the Federal Circuit test is here to stay and its application will be determined by future Federal Circuit and United States Patent & Trademark Office ruling and guidelines. The question of patentable subject matter is thus still open, and its determination will be for the best of patent attorneys to argue in future cases. These cases will, no doubt, shed further light on the fine points of what is patentable, and how it should be patented. In the meantime, the good news is that the worst fears of the patent bars and inventors in the computer process and software arts have proven unfounded and these areas are still protectable by patent in the US.

The Machine and Transformation test requires an invention to be either tied to a particular machine and apparatus or it transforms a particular article into a different state or thing. In the majority opinion by Justice Kennedy, the Court acknowledges the need to protect software, advanced diagnostic medicine techniques, and inventions based on linear programming, data compression, and the manipulation of digital signals, as examples of categories of inventions that the Court was concerned to be affected by the Federal Circuit's decision.

The Court further acknowledges that federal law explicitly contemplates the existence of business method patents, but that not all business method inventions are patentable. Inventors should understand that inventions in such areas are thus likely to be more difficult to obtain, as prosecution of such inventions will be more complicated and take longer. And, unfortunately, these proceedings will increase in cost as a result. We recommend that inventors should consult patent counsel having extensive experience and specialization in software, business methods, medical and the computer arts before pursuing protection of their concepts in this quickly evolving legal and business landscape.

LOGINOV & ASSOCIATES PLLC
INTELLECTUAL PROPERTY LAW

This article is published and written by Loginov & Associates and should not be considered to be legal advice, but rather is intended to be informational. No attorney-client relationship is established through your use of this article, and Loginov & Associates only engages in representation when there is a written representation agreement entered defining the scope of the representation. For the full Bilski decision, the opinion can be found at www.supremecourt.gov/opinions/09pdf/08-964.pdf.

For more information about Loginov & Associates and the patent process, please visit us on the web at: www.loginovlaw.com.