



# Client Alert



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## **Bilski Update**

In the March 11th issue of the AGG Healthcare Authority, Dr. Robert Hodges reported on developments involving patent eligible subject matter in "Court Rulings Threaten Patent Protection for Diagnostics." His article discussed the issues affecting the diagnostic field caused by the *In re Bilski* case at the Court of Appeals Federal Circuit. In that opinion the Federal Circuit crafted a "bright line" test for business method patents, and many commentators noted that the decision signaled that lower courts should rein in patents in related areas such as software and biotechnology. The Federal Circuit opinion does not suggest, however, how tightly those "reins" should be employed. On June 1, 2009 the U.S. Supreme Court granted the Petition for Certiorari for this case. This means that the Supreme Court will review the Federal Circuit's decision. Specifically, the Supreme Court will address two questions on appeal:

### Question 1

"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."

### Question 2

"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."

Briefs from the Petitioner are due in July, with reply briefs coming near the end of August. Arguments could be held as early as the fall of 2009, with an opinion coming from the October 2009 calendar by June 2010. Many will be interested in the outcome at the Supreme Court, as the validity of investing in R&D and getting patents in this area is at stake. But we will all likely have to wait at least a year for resolution.

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