
In The Supreme Court Of The United States

BERNARD L. BILSKI AND RAND A. WARSAW,
Petitioners,

v.

**JOHN J. DOLL, ACTING UNDER SECRETARY OF
COMMERCE FOR INTELLECTUAL PROPERTY AND
ACTING DIRECTOR OF THE UNITED STATES PATENT
AND TRADEMARK OFFICE,**
Respondent.

*ON PETITION FOR A WRIT OF CERTIORARI TO
THE UNITED STATES COURT OF APPEALS FOR
THE FEDERAL CIRCUIT*

**BRIEF OF *AMICUS CURIAE* AMERICAN
INTELLECTUAL PROPERTY LAW
ASSOCIATION IN SUPPORT OF THE
PETITION FOR A WRIT OF CERTIORARI**

WILLIAM K. WEST, JR.
Counsel of Record
PAMELA S. KANE
1299 Pennsylvania Avenue, NW
Washington, D.C. 20004
(202) 783-0800

Counsel for Amicus Curiae
American Intellectual Property
Law Association

TABLE OF CONTENTS

INTRODUCTION AND STATEMENT OF
INTEREST OF *AMICUS CURIAE* 1

REASONS FOR GRANTING THE PETITION 2

I. THE PETITION PRESENTS
IMPORTANT ISSUES OF FEDERAL
LAW 2

II. THE FEDERAL CIRCUIT’S “MACHINE
OR TRANSFORMATION”
REQUIREMENT MISINTERPRETS
THIS COURT’S PRECEDENTS AND
UNWISELY REDUCES INCENTIVES
FOR NEW TYPES OF INNOVATION 6

A. The Governing Standard Regarding
the Patent Eligibility of Process
Claims Is Found in Section 101 and
Its Legislative History 6

B. This Court’s Precedents Neither Hold
Nor Suggest That, To Be Patent-
Eligible Under Section 101, A Process
Must Result In A Physical
Transformation Or Be Tied to A
Machine 9

C. Other Precedents Overlooked By The
Federal Circuit Confirm The Absence

In This Court Of Rigid Tests Under
Section 101..... 13

D. The Federal Circuit’s Standard Is
Backward Looking, And Can Only
Restrict, Rather Than Promote, New
Innovative Technologies..... 16

1. There is no logical connection
between the "machine or
transformation" test and whether
the claimed process is a law of
nature, etc. 16

2. The “machine or transformation”
test is backward looking only, but
has important adverse
ramifications for future innovation 18

III. THIS COURT’S DECISIONS
UNIFORMLY REFLECT A WISE
OPENNESS TO NEW TYPES OF
INNOVATIONS, EXCLUDING ONLY
CLAIMS TO LAWS OF NATURE,
NATURAL PHENOMENA AND
ABSTRACT IDEAS 20

1. The Courts Have Fulfilled
Congress’s Intent to Construe
Section 101 Broadly 20

2. Solutions to overly broad patent
claims exist that do not require
engrafting limitations on Section
101 22

3. Any changes in the broad scope of
Section 101 should be left to
Congress 24

CONCLUSION 25

TABLE OF AUTHORITIES

CASES

<i>AT&T Corp. v. Excel Communications, Inc.</i> , 172 F.3d 1352 (Fed. Cir.), <i>cert. denied</i> , 528 U.S. 946 (1999).....	3
<i>Cochrane v. Deener</i> , 94 U.S. 780 (1877).....	9, 10,
<i>Diamond v. Chakrabarty</i> , 447 U.S. 303 (1980).....	4, 7, 8, 13, 14, 21, 25
<i>Diamond v. Diehr</i> , 450 U.S. 175 (1981)....	4, 6, 8, 11, 12, 13, 21, 23, 25
<i>Gottschalk v. Benson</i> , 409 U.S. 63 (1972).....	5, 9, 10, 11, 15, 17, 21
<i>J.E.M. Ag Supply, Inc. v. Pioneer Hi-Bred International, Inc.</i> , 534 U.S. 124 (2001).....	13, 14, 15, 21, 25
<i>KSR Int’l Co. v. Teleflex Inc.</i> , 550 U.S. 398 (2007).....	23
<i>Parker v. Flook</i> , 437 U.S. 584 (1978).....	5, 11, 13, 17, 21, 23

U.S. CONSTITUTION

U.S. Const. art. III.....	19
---------------------------	----

STATUTES

35 U.S.C. § 101	3, 4, <i>passim</i>
35 U.S.C. §§ 102, 103, 112	4, 23

INTRODUCTION AND STATEMENT OF INTEREST OF *AMICUS CURIAE*¹

Although Petitioners' patent application specifically relates to a "business method," the questions presented directly affect innovation in many other existing and unknown future types of technology. In fashioning a new and unprecedented rule that restricts the patent-eligibility threshold to only those processes that are tied to a machine or that transform substances to a different form, the Federal Circuit has effectively curtailed innovation in as yet unknown, future areas of discovery as well as disrupted settled expectations concerning issued patents in many existing technologies.

The American Intellectual Property Law Association ("AIPLA") is a national bar association of more than 16,000 members engaged in private and corporate practice, in government service, and in the academic community. AIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly and indirectly in the practice of patent, trademark, copyright, and unfair

¹ This *amicus curiae* brief is presented by the American Intellectual Property Law Association under Supreme Court Rule 37.3(a). Petitioner has consented to the filing of this *amicus curiae* brief via blanket letter of consent on file with the Court, and respondent has consented via a separate letter of consent dated February 4, 2009. In accordance with Supreme Court Rule 37.6, *amicus curiae* states that no counsel for a party authored any part of this brief. Only this *amicus curiae* made monetary contribution to the preparation and submission of this brief. Counsel for *amicus curiae* prepared this brief on a *pro bono* basis.

competition law, as well as other fields of law affecting intellectual property. AIPLA members represent both owners and users of intellectual property.

AIPLA takes no position on the merits of Petitioners' alleged innovation and on whether their application ultimately should or should not receive a patent, as AIPLA's sole interest is in assuring that the patent law continues to provide the incentives that serve the Constitutional purpose of promoting the progress of science and the useful arts.

In accordance with Rule 37 of this Court, AIPLA has notified and obtained the consent of both Petitioners and Respondent to file this amicus brief.

REASONS FOR GRANTING THE PETITION

I. THE PETITION PRESENTS IMPORTANT ISSUES OF FEDERAL LAW

The paths that discovery and innovation may take are unknown and unpredictable. The Twentieth Century Industrial Age saw inventions no one could have imagined just a century before. Now, this century is in the midst of the development of the Information Era. Operations that required the use of room-sized machines only a few years ago are done now on home computers. Computations formerly done by hand are now performed by integrated circuit chips smaller than a fingernail. Frequently, there is no longer a physical structure responsible for these operations. One might describe them as ethereal or transient, effected by software in

networks, but this is the direction of today's innovation.

In the future, society can look forward to innovations and advances in the emerging fields of nanotechnology, biotechnology, health sciences and personalized medicine. As technology thus ventures from the recognized into the unknown, innovation should be no less protectable than in previous eras of transition. As the Federal Circuit earlier recognized, "The sea-changes in both law and technology stand as a testament to the ability of law to adapt to new and innovative concepts, while remaining true to basic principles."²

The Federal Circuit majority, however, has now misinterpreted this Court's precedents and held that to be patent-eligible under 35 U.S.C. § 101, any "process" *must* (1) be tied to a particular machine or apparatus, or (2) transform a particular article into a different state or thing (the "machine or transformation" test). Pet. App. at 12a. The Federal Circuit majority did not limit its new test to any particular class of process or method, but applies it to all manner of processes and methods, present and future, even though the majority acknowledged that existing advances in technology already have "begun to challenge" the suitability of its test. Pet. App. at 17a. Technologies already impacted by the Federal Circuit's "machine or transformation" test include processes relating to computer software (not tied to a

specific machine), processes relating to the administration of medicines and therapeutic treatments, and biotechnology. Circuit Judge Newman observed in her dissenting opinion that the full extent of the "impact on the future, as well as on the thousands of patents already granted, is unknown." Pet. App. at 60a (Newman, Circuit Judge, dissenting).

As in *Diamond v. Chakrabarty*, 447 U.S. 309 (1980), and *Diamond v. Diehr*, 450 U.S. 180 (1981), the Petition presents questions concerning the proper construction of the patent statute that extends patent eligibility (but, importantly, *not* patentability) to "*any* new and useful *process*, machine, manufacture, or composition of matter, or any new and useful improvement thereof, *subject* to the conditions and requirements of this title." 35 U.S.C. § 101 (emphasis added).

The issue of Federal law thus presented by the decision of the Federal Circuit is not limited to so-called "business method" patents but, as stated and now applied by both the Federal Circuit and the United States Patent and Trademark Office ("PTO"), affects *every* "process" in *every* technology, including both existing technologies and those yet-to-be-discovered. However, this "machine or transformation" test is not a "test" found in the Patent Statute, its legislative history, or in the prior decisions of this Court. Regrettably, this test is derived from and tied to the vocabulary of technologies developed in earlier ages, and thus is backward-looking and ill-fitted to future discoveries and technologies as yet unimagined.

² *AT&T Corp. v. Excel Commc'ns, Inc.*, 172 F.3d 1352, 1356 (Fed. Cir.), *cert. denied*, 528 U.S. 946 (1999).

The Federal Circuit’s quest for “bright-line” tests to help ease the administrative burdens of the Patent Office is worthy, but to fashion a new and rigid eligibility test to be applied at the very doorstep of the Office is inappropriate. It contravenes the expressed intent of Congress and conflates patent eligibility with patent worthiness. The latter issue is better dealt with by an exacting application of the conditions for patentability codified in 35 U.S.C. §§ 102, 103 and 112. Restricting eligibility to *only* those processes that are either tied to a specific machine or that transform a material, however, minimizes incentives for development of future, and potentially very valuable, technologies. As a result, the Constitutional purpose of promoting the progress of science and the useful arts likely will be undermined rather than served.

Contrary to the Federal Circuit majority’s conclusion, this Court has never imposed or suggested a rigid “machine or transformation” test. The majority saw that processes were described in this Court’s precedents in terms applicable to the technologies then before the Court, but failed to recognize that these descriptions were not intended as limitations to be applied to all future technological developments. Indeed, this Court has repeatedly denied any such intention. In *Parker v. Flook*, 437 U.S. 584 (1978), this Court clearly stated that “a valid process patent may issue even if it does not meet one of these qualifications [transformation or machine-implementation] of our earlier precedents.” *Id.* at 589 n.9; *see also Gottschalk v. Benson*, 409 U.S. 63, 71 (1972).

II. THE FEDERAL CIRCUIT’S “MACHINE OR TRANSFORMATION” REQUIREMENT MISINTERPRETS THIS COURT’S PRECEDENTS AND UNWISELY REDUCES INCENTIVES FOR NEW TYPES OF INNOVATION

A. The Governing Standard Regarding the Patent Eligibility of Process Claims Is Found in Section 101 and Its Legislative History

This case turns on the interpretation of Section 101 of the Patent Act, which describes the subject matter eligible for patent protection, and more specifically on the patent eligibility of a “process” under that statute. In such cases of statutory construction, this Court traditionally begins with the language of the statute. *Diehr*, 450 U.S. at 181-82. Section 101 reads in relevant part: “Whoever invents or discovers any new and useful process...may obtain a patent therefor, subject to the conditions and requirements of this title.” 35 U.S.C. § 101.

“Unless otherwise defined, ‘words will be interpreted as taking their ordinary, contemporary, common meaning.’” *Diehr*, 450 U.S. at 182 (quoting *Perrin v. United States*, 444 U.S. 37, 42 (1979)). This Court has repeatedly recognized that Congress

intended § 101 to have a broad construction: “In choosing such expansive terms as ‘manufacture’ and ‘composition of matter,’ modified by the comprehensive ‘any,’ Congress plainly contemplated that the patent laws would be given wide scope.” *Chakrabarty*, 447 U.S. at 308. Indeed, “[t]he subject-matter provisions of the patent law have been cast in broad terms to fulfill ‘the constitutional and statutory goal of promoting ‘the Progress of Science and the useful Arts’ with all that means for the social and economic benefits envisioned by Jefferson.” *Id.* at 315.

The *Chakrabarty* Court recognized that the legislative history of § 101 further supports a broad reading:

The Patent Act of 1793, authored by Thomas Jefferson, defined statutory subject matter as “any new and useful art, machine, manufacture, or composition of matter, or any new or useful improvement [thereof].” The Act embodied Jefferson’s philosophy that “ingenuity should receive a liberal encouragement.” Subsequent patent statutes in 1836, 1870, and 1874 employed this same broad language.

Id. at 308-09 (citations omitted).

Further, the Committee Reports accompanying the 1952 Patent Act, in which Congress replaced the word “art” with the word “process,” “inform us that Congress intended

statutory subject matter to ‘include anything under the sun that is made by man.’” *Diehr*, 450 U.S. at 182 (quoting S. Rep. No. 1979, 82d Cong., 2d Sess., 5 (1952); H.R. Rep. No. 1923, 82d Cong., 2d Sess., 6 (1952)).

This is not to say there are no limits to what is patent-eligible. “Excluded from such patent protection are laws of nature, natural phenomena, and abstract ideas.” *Diehr*, 450 U.S. at 185 (citation omitted). Such discoveries are “manifestations of . . . nature, free to all men and reserved exclusively to none.” *Chakrabarty*, 447 U.S. at 309 (citation omitted). They cannot be “invented” by man, or are abstract and not “useful,” and thus are excluded from patent eligibility.

The Federal Circuit majority, however, has done exactly what this Court has repeatedly cautioned against – it has read “into the patent laws limitations and conditions which the legislature has not expressed.” *Chakrabarty*, 447 U.S. at 308 (quoting *United States v. Dubilier Condenser Corp.*, 289 U.S. 178, 199 (1933)). Nothing in § 101 nor its legislative history qualifies or limits patentable “processes” to those that transform physical matter or are performed by machines. Imposing such a limiting test contravenes the expressed intent of Congress.

B. This Court’s Precedents Neither Hold Nor Suggest That, To Be Patent-Eligible Under Section 101, A Process Must Result In A Physical Transformation Or Be Tied to A Machine

There is no support in this Court’s precedent for the Federal Circuit majority’s conclusion that this Court enunciated a definitive “machine or transformation” test for determining the patent eligibility of a claimed process under § 101. The precedents cited by the Federal Circuit majority neither hold nor suggest that a claimed process is patent-eligible *only* if “(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing.” Pet. App. at 12a.

The Federal Circuit majority based its conclusion on four prior decisions of this Court and primarily upon misinterpretation – and misapplication – of a single statement (made *in dicta*) in *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972), that “[t]ransformation and reduction of an article ‘to a different state or thing’ is the clue to the patentability of a process claim that does not include particular machines.” See, e.g., Pet. App. at 12a. This “transformation and reduction of an article ‘to a different state or thing’” language originated in this Court’s opinion in *Cochrane v. Deener*, 94 U.S. 780 (1877).

However, *Cochrane* neither held nor suggested that, to be patent-eligible, a process *must* result in a physical transformation. Instead, *Cochrane* considered whether a process for improving the qualities of superfine flour may be infringed irrespective of the tools used by the alleged infringer to effect the desired result of the process. *Id.* at 788. The patentee claimed that his invention was in the process itself, and “not limited to any special arrangement of machinery.” *Id.* at 785. It was in the context of that level of technology (first separating the superfine flour and then purifying the flour-producing portions of the middling-meal prior to regrinding), and with that perspective, that *Cochrane* characterized a “process” as “an act, or a series of acts, performed upon the subject matter to be transformed and reduced to a different state of thing.” *Id.* at 788. Nothing in *Cochrane* suggested that, to be patent-eligible, every future “act or series of acts” must transform subject matter into a different state or thing.

Similarly, nothing in *Gottschalk v. Benson*, 409 U.S. 63 (1972), required a process be “tied to a particular machine” or “transform a particular article into a different state or thing” to be patent-eligible. In fact, despite its “[t]ransformation ... is the clue to the patentability of a process claim” statement, on which the Federal Circuit majority hinged its opinion, *Benson* actually *refused* to adopt a “machine or transformation” test, stating: “It is argued that a process patent must either be tied to a particular machine or apparatus or must operate to change articles or materials to a ‘different state or thing.’ We do not hold that no process patent could

ever qualify if it did not meet the requirements of our prior precedents.” *Benson*, 409 U.S. at 71. Indeed, *Benson* reasoned that a claim to a process that converted (*i.e.*, transformed) binary code decimal numerals into pure binary numerals was, in practical effect, merely a claim to *an abstract idea*, and therefore ineligible subject matter. *Id.* at 71-72.

The Federal Circuit majority’s reliance on *Parker v. Flook*, 437 U.S. 584 (1978), is also misplaced. The Court in *Flook* rejected the application in question because it sought to patent the equivalent of a fundamentally non-patentable law of nature (a mathematical formula), 437 U.S. at 595-96, *not* because it failed to tie that formula to a particular machine or failed to transform a particular article into a different state or thing. Indeed, the Court again dismissed the notion that, to be patent-eligible, a process patent must be “tied to a particular apparatus or operated to change materials to a ‘different state or thing.’” *Id.* at 589 n.9 (quoting *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1877)). Instead, *Flook*, “[a]s in *Benson*, ... assume[d] that a valid process patent may issue even if it does not meet one of these qualifications of our earlier precedents.” *Flook*, 437 U.S. at 589 n.9 (citing *Benson*, 409 U.S. at 71).

In the fourth precedent, *Diamond v. Diehr*, 450 U.S. at 177-78, this Court considered the patent eligibility of a process for molding raw, uncured synthetic rubber into cured precision products. *Id.* at 177-78. Contrary to the Federal Circuit majority’s statement, Pet. App. at 16a, *Diehr* did not “once again” apply the machine-or-transformation test in

assessing the patent eligibility of this claimed process.

Rather, *Diehr* recognized that processes that transform an article into a different state or thing – such as the process of curing raw rubber at issue – merely exemplify “the types [of processes] which have historically been eligible to receive the protection of our patent laws.” 450 U.S. at 184 (emphasis added); *see also id.* at 192-93 (“when [a claimed invention] . . . is performing a function which the patent laws were designed to protect (*e.g.*, transforming or reducing an article to a different state or thing), then the claim satisfies the requirements of § 101”). *Diehr* nowhere suggests that transformation is required for a process to fall within the § 101 categories of possible patentable subject matter.

Indeed, in considering whether the use of a well-known mathematical equation as a part of the claimed curing process precluded patent eligibility, *Diehr* emphasized that the *only* limits to patent eligibility are those processes that claim the “laws of nature, natural phenomena, and abstract ideas.” *Diehr*, 450 U.S. at 185. Further, *Diehr* confirmed that this Court’s holdings in *Benson* and *Flook* “stand for no more than these long-established principles.” *Id.*

Accordingly, none of the decisions of this Court relied on by the Federal Circuit either hold or suggest that a process is patent-eligible only if it is tied to a machine or it transforms a particular article into a different state or thing. Rather, each of those

decisions emphasize that a process will fall within eligible subject matter under § 101 unless it claims “laws of nature, natural phenomena, [or] abstract ideas.” *Diehr*, 450 U.S. at 185; *see also Flook*, 437 U.S. at 589.

**C. Other Precedents Overlooked
By The Federal Circuit
Confirm The Absence In This
Court Of Rigid Tests Under
Section 101**

Without any explanation, the Federal Circuit majority’s opinion bypassed two important decisions of this Court – *Diamond v. Chakrabarty*, 447 U.S. 303 (1980), and *J.E.M. Ag Supply, Inc. v. Pioneer Hi-Bred International, Inc.*, 534 U.S. 124 (2001) – that addressed § 101 statutory classes other than “process,” but nevertheless confirmed the absence in this Court of any rigid limitations on patent eligibility.

In *Chakrabarty*, the respondent’s application included process claims to the method of producing a new type of bacterium capable of breaking down components of crude oil (a property not possessed by naturally occurring bacteria) and claims to the genetically-engineered bacteria. 447 U.S. at 305. The patent examiner rejected the claims to the bacteria on two grounds: “(1) that micro-organisms are ‘products of nature,’ and (2) that as living things they are not patentable subject matter under 35 U.S.C. § 101.” *Id.* at 306.

In ruling that the claimed micro-organism, although technically “alive,” constituted patent-eligible subject matter, *Chakrabarty* considered – and rejected – the argument that patent eligibility should not extend to new technologies that were not foreseen and expressly authorized by Congress, such as the genetically-engineered micro-organisms then at issue. *See id.* at 314-16. The Court reasoned that “[a] rule that unanticipated inventions are without protection would [not only] conflict with the core concept of the patent law that anticipation undermines patentability,” *id.* at 315-16, but would also frustrate Congress’ intent in employing broad general language in § 101 – *i.e.*, that the inventions most benefiting mankind, such as “those that ‘push back the frontiers of chemistry, physics, and the like,’ are generally unforeseeable. *Id.* at 316. The Court confirmed that patent eligibility should be scrutinized instead under “the principles underlying the prohibition against patents for ‘ideas’ or phenomena of nature.” *Id.* at 315 (citation omitted).

Twenty years later, in *J.E.M. Ag Supply*, the Court again considered the scope and application of patent eligibility under § 101. Faced with the question of whether newly-engineered corn plant breeds fell within § 101, the Court specifically addressed whether eligibility should be governed by what was foreseen at the time the patent laws were drafted. Reaffirming that “the language of § 101 is extremely broad” and that “Congress plainly contemplated that the patent laws would be given wide scope,” 534 U.S. at 130, this Court again refused to adopt as a test for patent-eligible subject matter whether the invention was of a type expressly

authorized by Congress. *Id.* at 134-35. The Court recognized that “101 ... is a dynamic provision designed to encompass new and unforeseen inventions,” and that “[d]enying patent protection under § 101 simply because such coverage was thought technologically infeasible in 1930...would be inconsistent with the forward-looking perspective of the utility patent statute. As we noted in *Chakrabarty*, ‘Congress employed broad general language in drafting § 101 precisely because [new types of] inventions are often unforeseeable.’” *Id.* at 135 (citation omitted).³

Thus, both *Chakrabarty* and *J.E.M. Ag Supply* affirm this Court’s recognition of the broad scope and applicability of § 101, and a wise reluctance to engraft “tests” on § 101 that might limit patent eligibility to known technologies of the past or foreclose possibilities offered by new and unanticipated technology.

³ *Accord, Benson*, 409 U.S. at 71: “[It is not our purpose to] freeze process patents to old technologies, leaving no room for the revelations of the new, onrushing technology.”

D. The Federal Circuit’s Standard Is Backward Looking, And Can Only Restrict, Rather Than Promote, New Innovative Technologies

- 1. There is no logical connection between the "machine or transformation" test and whether the claimed process is a law of nature, etc.**

At the outset of its opinion, the Federal Circuit majority recognized that this Court has repeatedly held that “a claim is not a patent-eligible ‘process’ if it claims ‘laws of nature, natural phenomena, [or] abstract ideas’” because “[s]uch fundamental principles are ‘part of the storehouse of knowledge of all men ... free to all men and reserved exclusively to none.’” Pet. App. at 7a-8a (citations omitted). The Federal Circuit then identified as “[t]he true issue before us ... whether Applicants are seeking to claim a fundamental principle (such as an abstract idea) or a mental process.” Pet. App. at 8a.

Rather than addressing this “true issue” directly, however, the Federal Circuit majority instead formulated its “machine or transformation” test. But the majority failed to connect this test in any way to its “true issue”: this Court’s long-standing principle of measuring patent eligibility by whether a process claims “laws of nature, natural phenomena,

[or] abstract ideas.” Nor did the majority provide any rationale showing a need for such a new and radical limitation on § 101.

The Federal Circuit majority did not explain how a process that meets this “machine or transformation” test – *i.e.*, a process that is “tied to a particular machine or apparatus” or a process that “transforms a particular article into a different thing” – *necessarily* excludes “laws of nature, natural phenomena, [or] abstract ideas.” The majority opinion thus never provides a logical connection between the “machine or transformation” test and this Court’s principle that only claims to “laws of nature, natural phenomena, or abstract ideas” are precluded from patent eligibility.

Further, the majority did nothing to show that its “machine or transformation” test avoids conflict with this Court’s application of “abstract idea” principles in *Flook* (rejecting a process claim to a mathematical “law of nature” tied to a computer), (437 U.S. at 595), and in *Benson* (rejecting a process that converted (*i.e.*, *transformed*) BCD numerals into binary numerals) to determine ineligible subject matter. *Benson*, 409 U.S. at 71-72.

Indeed, as one dissent (Rader, J.) recognized, the majority’s “machine or transformation” test does nothing more than generate more questions, such as “What form or amount of ‘transformation’ suffices? When is a ‘representative’ of a physical object sufficiently linked to that object to satisfy the transformation test? ... What link to a machine is sufficient to invoke the ‘or machine’ prong? Are the

specific machines of *Benson* required, or can a general purpose computer qualify?” Pet. App. at 142a. Thus, the Federal Circuit’s “machine or transformation” test not only fails to fill an existing need in the law, but raises more questions than it can resolve.

2. The “machine or transformation” test is backward looking only, but has important adverse ramifications for future innovation

Contrary to this Court’s precedents broadly construing § 101 in accordance with its legislative history, the Federal Circuit’s majority engrafted onto the statute limitations that are entirely backward-looking, as forcefully pointed out in the dissents of Circuit Judges Newman and Rader. Pet. App. at 93a-94a and 134a, 143a. Indeed, the Federal Circuit’s limitations are crafted from words and concepts that originated in *Cochrane*, in a by-gone horse-and-buggy era. They should not rigidly dictate what processes may or may not be patent-eligible for future generations.

The Federal Circuit majority acknowledged as much in stating that its “machine or transformation” test for eligibility may already be inappropriate and challenged by “future developments in technology and the sciences.” Pet. App. at 17a. The majority’s recognition that its test may need to give way in the near future, however, is hardly a compelling

argument for introducing sweeping limitations at the present time. Indeed, technologies that would further challenge suitability of the “machine or transformation” test may not appear at all if the incentives to develop them disappear now.

Moreover, there are several difficulties with the majority’s assumption that its error, if any, in imposing a rigid test readily can be corrected in the future. First, its decision has both immediate and potentially long-lasting consequences. The PTO is applying the “machine or transformation” test to all manner of processes, not just “business methods.” This has a chilling effect on incentives to devote resources to new areas of innovation. In the current global economic climate, incentives for new technological breakthroughs should be encouraged, not discouraged. The public interest is best served if the United States Patent system remains open to all forms of technological development. If it does not remain open, such developments can happen outside the United States Patent system, and without its requirements for public disclosure and limited periods of exclusivity. Worse yet, such developments may not happen at all.

Second, a Court of Appeals or this Court, unlike a legislature, cannot announce a change in the law on its own initiative, but is limited by the Constitution to hearing and deciding “cases or controversies” properly brought before it. U.S. Const. art. III. A patent application must wind its way through the Patent Office, sometimes for years, then await a decision by the PTO’s internal appeals Board, which may consume several more years

before decision. Thus, much time may pass before there is a ripened issue that will present an opportunity for the Federal Circuit to reconsider the “machine or transformation” test. Moreover, based on its precedents, a single panel of the Federal Circuit can not revise the test; instead, the court must first agree to go *en banc* to revise it. Thus, the Federal Circuit actually has much less flexibility to reconsider its test than the majority opinion suggests.

Regardless of whether it would take years or decades to reconsider the “machine or transformation” test, incentives to innovate in new technologies that may not meet the test will have been jeopardized, with the time lost, or the opportunities forgone, perhaps never fully recoverable.

III. THIS COURT’S DECISIONS UNIFORMLY REFLECT A WISE OPENNESS TO NEW TYPES OF INNOVATIONS, EXCLUDING ONLY CLAIMS TO LAWS OF NATURE, NATURAL PHENOMENA AND ABSTRACT IDEAS

1. The Courts Have Fulfilled Congress’s Intent to Construe Section 101 Broadly

As shown by the precedents cited herein, this Court’s opinions have uniformly been open to patent

eligibility of new types of innovation undreamed of at the time of *Cochrane* in 1876. *See, e.g., Chakrabarty*, 447 U.S. at 309 (patentable subject matter includes “anything under the sun that is made by man”) (citation omitted); *J.E.M. Ag Supply*, 534 U.S. at 135 (“Denying patent protection under § 101 simply because such coverage was thought technically infeasible [previously] would be inconsistent with the forward-looking perspective of the utility patent statute.”). This Court’s decisions clearly have not excluded particular technologies, and have embraced even new or unusual types of processes. *See, e.g., Diehr*, 450 U.S. at 185-86 (recognizing that a process claiming a mathematical formula and a programmed digital computer is not precluded *per se* from patent eligibility). To the extent this Court has refused patent eligibility, it has done so based on the facts of each case and application of the long-standing principle that excludes claims to “laws of nature, natural phenomena, and abstract ideas. *Id.* at 185; *Chakrabarty*, 447 U.S. at 315; *Flook*, 437 U.S. at 589; *see also Benson*, 409 U.S. at 71.

Laws of nature, physical phenomena, and abstract ideas exist in the public domain for all time. *See, e.g., Diehr*, 450 U.S. at 185. An inventor is not entitled to claim one of these basic principles in isolation because to do so would remove it from the public. *Id.* Yet, this protection of the public commons does not place limits or exclusions on the subject matter of the four specified categories of § 101; instead, it provides guidance to the decision-maker to avoid removal from the public of natural or scientific principles.

2. Solutions to overly broad patent claims exist that do not require engrafting limitations on § 101

To the extent it may be feared that certain patents, including “business method” patents, contain overly broad claims, solutions lie (a) in this Court’s precedents that, *e.g.*, refuse eligibility to “abstract ideas,” and (b) in other sections of the patent statute.

First, as noted above, this Court has found no difficulty in rejecting the eligibility of specific patents and applications on the basis of the long-standing principle excluding “laws of nature, natural phenomena and abstract ideas.” That principle has been widely followed and successfully applied by the lower courts and the PTO. As also noted, the Federal Circuit majority identified no specific difficulty in application of that principle, nor any new, pressing need for an additional, more restrictive test. Indeed, one dissenter, Circuit Judge Rader, would have dealt with Petitioners’ application solely on the basis of “abstract idea.” Pet. App. at 134a, 142a.

Second, simply because an invention contains patent-eligible subject matter does not mean that a patent should issue. Indeed, as this Court recognized in *Diehr*, a determination that claims recite subject matter that is eligible for patent protection under § 101 does not preclude a finding later that a “process is not deserving of patent

protection because it fails to satisfy the statutory conditions of novelty under § 102 or nonobviousness under § 103.” 450 U.S. at 191; *see Flook*, 437 U.S. at 600 (Stewart, J. and Rehnquist, J., dissenting) (“Section 101 is concerned only with subject matter patentability. Whether a patent will actually *issue* depends upon the criteria of §§ 102 and 103, which include novelty and inventiveness, among many others.”).

The legislative history is in accord, stating that “Section 101 sets forth the subject matter that can be patented, ‘subject to the [other] conditions and requirements of this title.” *Diehr*, 450 U.S. at 190 (quoting S. Rep. No. 1979, 82d Cong., 2d Sess., 5 (1952)). As also recognized by one *Bilski* dissenter, Circuit Judge Rader, “the Patent Act from its inception focused patentability on the specific characteristics of the claimed invention—its novelty and utility—not on its particular subject matter category Specifically, section 101 itself distinguishes patent eligibility from the conditions of patentability—providing generously for patent eligibility, but noting that patentability requires substantially more.” Pet. App. at 135a-136a.

Rather than imposing a rigid test on § 101 that threatens the eligibility of new technologies, questions of whether a given advance is patent-worthy are better dealt with by application of sections 102 (requiring novelty), 103 (requiring non-obviousness) and 112 (requiring a “written description of the invention,” a “best mode” and “distinctly claiming the subject matter”). *See, e.g., KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 415

(2007). As one *Bilski* dissenter noted (Rader, J.), “[t]hese statutory conditions and requirements better serve the function of screening out unpatentable inventions than some vague ‘transformation’ or ‘proper machine link’ test.” Pet. App. at 142a.

The Federal Circuit’s rigid approach to subject matter eligibility undercuts this Court’s precedent by foreclosing at the initial § 101 analysis any additional inquiry into patentability. This not only upsets basic principles of patent law, but threatens incentives to produce valuable and unforeseeable future innovations.

3. Any changes in the broad scope of Section 101 should be left to Congress

When the Constitution was written, the Framers wisely provided authorization for a patent system that would provide incentives for innovations in the “useful arts,” but could not have foreseen the myriad developments and discoveries that would occur over the following centuries. Thus, the Framers correctly left it to Congress to determine, and to modify, as events necessitated, the types or classes of things that could be the subject of an exclusive right. Congress, of course, has broad powers to initiate investigations, hold hearings, gain insights from interested parties from a broad range of technologies, and can ultimately determine the proper balance and need, if any, for new limitations on patent eligibility.

This Court has never treated the classes of eligible subject matter established by Congress in § 101 – “process, machine, manufacture, or composition of matter” – as rigid limitations, but rather as “expansive” guideposts. *J.E.M. Ag Supply*, 534 U.S. at 130 (citing *Chakrabarty*, 447 U.S. at 308). Section 101 is thus “a dynamic provision designed to encompass new and unforeseen inventions.” *J.E.M. Ag Supply*, 534 U.S. at 135.

In construing § 101, this Court has frequently noted the dangers in reading in limitations to patent eligibility not expressly authorized by Congress.

[W]e have more than once cautioned that “courts ‘should not read into the patent laws limitations and conditions which the legislature has not expressed.’” *Diamond v. Chakrabarty*, *supra*, at 308, 100 S.Ct., at 2207 quoting *United States v. Dubilier Condenser Corp.*, 289 U.S. 178, 199, 53 S.Ct. 554, 561, 77 L.Ed. 1114 (1933).

Diehr, 450 U.S. at 182. Such deference is wise, and has served the public interest by allowing the patent system to remain dynamic and able to accommodate new forms of innovation. Consideration of whether any limitations or conditions need to be added to § 101 should continue to be left to Congress.

CONCLUSION

The AIPLA respectfully requests this Court grant the Petition for Certiorari, review the *en banc* decision of the Federal Circuit, reject that court’s

“machine or transformation” test and affirm that patent eligibility for “processes” remains as expressed by this Court in *Diehr*.

Respectfully submitted,

WILLIAM K. WEST, JR.

Counsel of Record

PAMELA S. KANE

1299 Pennsylvania Ave., NW

Washington, D.C. 20004

(202) 783-0800

Attorneys for *Amicus Curiae*
American Intellectual Property
Law Association

March 2, 2009

CERTIFICATE OF SERVICE

I hereby certify that I have caused two true and correct copies of BRIEF OF *AMICUS CURIAE* AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION IN SUPPORT OF THE PETITION FOR A WRIT OF CERTIORARI to be served on this 2nd day of March, 2009, by Federal Express to the following:

J. Michael Jakes
Finnegan Henderson Farabow
Garrett & Dunner, LLP
901 New York Avenue, NW
Washington, DC 20001-4413
P: 202.408.4000
Attorneys for Petitioners,
Bernard L. Bilski and
Rand A. Warsaw

Edwin S. Kneedler
Acting Solicitor General
United States Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, DC 20530-0001
P: 202.514.2217
Attorneys for John J. Doll,
Acting Under Secretary of Commerce of
Intellectual Property and Acting Director,
Patent and Trademark Office
