

SUPREME COURT TO REVIEW BILSKI/CAFC DECISION --- *Bilski* IS AN IMPORTANT DECISION CHALLENGING THE SCOPE OF PATENTABLE SUBJECT MATTER. *Bilski* MAY PERTAIN TO SOFTWARE PATENTS IN PARTICULAR. BUT WHAT DOES THE SUPREME COURT AGREEING TO REVIEW MEAN?

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The U.S. Supreme Court has granted certiorari in the case of *In re Bilski*, 545 F.3d 954 (Fed. Cir. 2008) (en banc). *Bilski* is an important case challenging the scope of patentable subject matter. *Bilski* may pertain to software patents in particular. But what does granting certiorari mean?

Certiorari means, in short, that the Supreme Court has agreed to review the decision of a lower court, in this case, the U.S. Court of Appeals for the Federal Circuit (CAFC or Federal Circuit).

The granting certiorari does not necessarily mean that the Supreme Court disagrees with the decision of the lower court and is trying to overturn the ruling. Granting certiorari, rather, simply means that at least four of the Supreme Court Justices believe the circumstances described in the petition should be reviewed by the Supreme Court.

With respect to *Bilski*, the Supreme Court may have granted certiorari to resolve problems the Board of Patent Appeals and Interferences (BPAI) has had applying changes to the test for patentability of process claims in light of *Bilski*. *Bilski* redefined the governing test for patentable subject matter of process/method claims by replacing the “useful, concrete, and tangible result” test established by the CAFC in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368 (Fed. Cir. 1998) with the so-called machine-or-transformation test.

In the case of *Bilski*, the CAFC held that in order for a process claim to be patentable subject matter, the claims have to satisfy the machine-or-transformation test. An applicant may show either 1) a claim is tied to a particular machine or apparatus, or 2) a claim transforms a particular article to a different state or thing. Insignificant extra-solution activity will not transform an unpatentable principle into a patentable process. *Bilski*, 545 F.3d at 961. Also, merely reciting a specific machine or a particular transformation of a specific article in an insignificant step, such as a data gathering or outputting, is not sufficient to pass the test. *Bilski*, 545 F.3d at 963.

Bilski will probably be argued in front of the Supreme Court in October 2009. A final decision is not expected before Spring 2010. We will keep you informed of any new developments in the *Bilski* case.