In re Bilski

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At long last, the Supreme Court has issued its decision in the closely watched *Bilski* case. While shattering the record for longest time from argument to decision in a Supreme Court patent case (over 200 days!), the Bilski decision reads like a middle episode of a movie series or television program, staying internally consistent with prior episodes while not providing significant closure to the central issues (i.e., business method and software patentability). In the near term, business methods are not categorically excluded from patent protection. Further, there is now no hard line rule that a claimed inventive process must meet the "machine or transformation" test laid down by the Court of Appeals for the Federal Circuit in order to qualify for patent protection. These takeaway points will keep the flow of new software and business method patent applications coming into the PTO (which has already issued an "interim guidance" memorandum to the examining corps) and issued patents litigated in the courts, and we can expect the battle lines to be drawn between unpatentable abstract ideas and mathematical algorithms on the one hand, and potentially patentable "applications of laws of nature and algorithms" on the other. It's Benson and Flook versus Diehr for the time being.

In his concurring opinion, Justice Stevens notes that the Court essentially reaches the conclusion that the Bilski claims pertain to an abstract idea and are therefore not patentable, while never really providing a satisfactory account of what actually constitutes an unpatentable abstract idea. Perhaps the Court is saying it did not need to, because the caselaw guidance is already there. Judge Rader apparently had it right in his dissent in the Federal Circuit's opinion, where he summarizes what the Federal Circuit could have said in 2008 with the single sentence, "[b]ecause Bilski claims merely an abstract idea, this court affirms the Board's rejection." Indeed, that is more or less all we get from the Supreme Court here.

What we have then is a "middle episode" in the form of *Bilski* that accurately recaptures prior decisions and leaves the courts, practitioners, and the PTO to interpret. We also have the KSR obviousness decision and a much larger body of patent and non-patent prior art that may help defuse the "business method" patentability fears on the basis that many are simply not novel or non-obvious.

We will stay tuned...

Related People

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