

**Licensing Executives Society (USA and Canada) Comments on
Long-Awaited Supreme Court Decision – *Bilski v. Kappos***

WASHINGTON D.C., JUNE 28, 2010 – In the first case in decades to consider the scope of patentable subject matter under U.S. law, the U.S. Supreme Court today issued its long-awaited ruling in *Bilski v. Kappos*. The claimed invention at issue in *Bilski*, a method for managing commodity trading risk, raised important questions about what constitutes proper patentable subject matter under U.S. law – and in particular what is the dividing line between abstract, unpatentable ideas and patent-eligible inventions. The decision has important implications for industries from health care to high tech.

The Licensing Executives Society (USA and Canada), Inc., the pre-eminent organization of licensing professionals, supports the Court’s position to uphold the long-standing tenet of patent law that abstract ideas, such as *Bilski*’s, are not patentable. The Supreme Court held that the Federal Circuit’s “machine or transformation” test, while an important consideration, is not the sole test for patent eligibility. Many throughout the industry, including a strong representation of our membership, have expressed the view that a rigid application of that test might stifle both innovation and business on a global scale, particularly in the Information Age.

“Overall, we believe the Supreme Court’s decision represents an important step towards maintaining a balanced, effective patent system that promotes innovation and opportunity for both inventors and consumers,” said LES (USA and Canada) Public Policy Chair, Brian O’Shaughnessy. “By excluding abstract ideas from patent protection, while maintaining the patentability of real-world inventions in all technical fields, this decision will enhance companies’ ability to work together through licensing to offer new products and services.”

About Licensing Executives Society (USA and Canada)

Established in 1965, the Licensing Executives Society (USA and Canada), Inc. is a professional society comprised of over 5,000 members engaged in the transfer, use,

development and marketing of intellectual property. The LES membership includes a wide range of professionals, including business executives, lawyers, licensing consultants, engineers, academicians, scientists and government officials. Many large corporations, professional firms, and universities comprise the Society's membership.

Licensing Executives Society (USA and Canada), Inc. is a member society of the Licensing Executives Society International, Inc. (LESI), with a worldwide membership of over 11,000 members in 32 national societies, representing over 90 countries. For more information on LES, see www.lesusacanada.org