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AIPLA GRATIFIED BY SUPREME COURT BILSKI DECISION BUSINESS
METHODS: PATENTABLE; MACHINE OR TRANSFORMATION: NOT THE ONLY
TEST

WASHINGTON, DC – The American Intellectual Property Law Association (AIPLA) is
gratified that the Supreme Court in its Bilski decision today continues to interpret the
Patent Act as open to the broadest range of subject matter, preserving the incentives for
yet unknown areas of innovation. The Supreme Court opinion in Bilski vs. Kappos
affirmed the Federal Circuit's judgment that the particular business method in question
is indeed ineligible for a patent (Bilski v. Kappos, U.S., No. 08-964, 6/28/10). However,
the Court disagreed with the Federal Circuit reasoning. In an opinion by Justice
Kennedy, the Court held that, while business methods per se are not unpatentable, the
process claimed by Bilski was unpatentable as an abstract idea, which the Court has
consistently held is not a basis for patentability under the Patent Act, 35 USC §101.
Regarding the Federal Circuit's “machine or transformation” test for process
patentability, Justice Kennedy’s opinion states that, while it may be a useful tool in
deciding whether a process is patentable, it is not the sole tool.

AIPLA Executive Director Q. Todd Dickinson stated that “we are generally pleased that
the Court’s majority today confirmed that broad patent protection is critical to innovation
and economic growth.” Mr. Dickinson added, “They recognized that the patentability of
next generation technology should not be judged by a last century view of the law. This
was the position that AIPLA urged in its amicus brief and we are gratified that the Court
adopted much of our reasoning.”

Background

Generally one can patent any invention as long as it is new, useful, not obvious (i.e., it
cannot be obviously derived from something else), and sufficiently disclosed. In
extraordinary cases, however, subject matter is excluded from patent protection, with no
consideration of whether it is new, useful, or not obvious, if the applicant is attempting to
patent a natural phenomenon, a law of nature, or an abstract idea. AIPLA, like many
others filing amicus (i.e., “friend of the court”) briefs, believes that excluded subject
matter must be kept to a minimum because this is the only way to keep the patent
system open to crucial but unforeseen innovations of the future. In our view, the current categories of excludable subject matter—natural phenomenon, laws of nature, and abstract ideas—serve the functions of controlling against overbroad patents and ensuring that the basic tools of science remain in the public domain. However, because the course of technology can take an unexpected path, the threshold test for patentable subject matter ought not become a barrier to the next life-altering innovation.

The American Intellectual Property Law Association (AIPLA)

The American Intellectual Property Law Association is a national bar association of more than 16,000 members engaged in private and corporate practice, in government service, and in academia. AIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of various fields of law affecting intellectual property. Our members represent both owners and users of intellectual property, and they have a keen interest in a strong and efficient intellectual property system.

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