



No. 08-964

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**In the Supreme Court of the United States**

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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

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

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**BRIEF FOR THE RESPONDENT IN OPPOSITION**

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### QUESTION PRESENTED

Whether the court of appeals correctly held, consistent with this Court's longstanding interpretation of 35 U.S.C. 101, that petitioners' claimed method of hedging consumption risk does not qualify as a patent-eligible process because that method neither (1) is tied to a particular machine or apparatus nor (2) transforms an article into a different state or thing.

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## **OPINIONS BELOW**

The opinion of the court of appeals (Pet. App. 1a-143a) is reported at 545 F.3d 943. The opinion of the Board of Patent Appeals and Interferences (Pet. App. 146a-205a) is unreported.

## **JURISDICTION**

The judgment of the court of appeals was entered on October 30, 2008. The petition for a writ of certiorari was filed on January 28, 2009. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

## STATEMENT

This case arises from a decision of the United States Patent and Trademark Office (PTO) rejecting all claims in petitioners' patent application for lack of patent-eligible subject matter under 35 U.S.C. 101. Pet. App. 2a. The court of appeals, sitting en banc, affirmed. *Id.* at 1a-143a.

1. The Patent Clause of the Constitution empowers Congress "[t]o promote the Progress of Science and useful Arts, by securing for limited Times to \* \* \* Inventors the exclusive Right to their \* \* \* Discoveries." U.S. Const. Art. 1, § 8, Cl. 8. Congress exercised that authority in enacting the patent statute, which provides, in relevant part:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

35 U.S.C. 101.

Although the statute is broad in scope, see *Diamond v. Chakrabarty*, 447 U.S. 303, 308 (1980), it imposes several limitations on the subject matter eligible for federal patent protection. *Id.* at 309. For example, "no patent is available for a discovery, however useful, novel, and nonobvious, unless it falls within one of the express categories of patentable subject matter of 35 U.S.C. § 101." *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 483 (1974). By "bring[ing] certain types of invention and discovery within the scope of patentability while excluding others," the patent statute "seeks to avoid the dangers of overprotection just as surely as it seeks to avoid the diminished incentive to invent that underprotection

can threaten.” *Laboratory Corp. of Am. Holdings v. Metabolite Labs., Inc.*, 548 U.S. 124, 127 (2006) (*LabCorp*) (Breyer, J., dissenting from dismissal of writ of certiorari). In considering the scope of patent-eligible subject matter under Section 101, courts therefore “must proceed cautiously when \* \* \* asked to extend patent rights into areas wholly unforeseen by Congress.” *Parker v. Flook*, 437 U.S. 584, 596 (1978).

2. Petitioners seek to patent a method of hedging risks, such as weather-related risks, in the purchase and sale of commodities. Pet. App. 2a. Claim 1 of petitioners’ application reads:

A method for managing the consumption risk costs of a commodity sold by a commodity provider at a fixed price comprising the steps of:

- (a) initiating a series of transactions between said commodity provider and consumers of said commodity wherein said consumers purchase said commodity at a fixed rate based upon historical averages, said fixed rate corresponding to a risk position of said consumer;
- (b) identifying market participants for said commodity having a counter-risk position to said consumers; and
- (c) initiating a series of transactions between said commodity provider and said market participants at a second fixed rate such that said series of market participant transactions balances the risk position of said series of consumer transactions[.]

*Id.* at 2a-3a. All 11 claims in the application disclose variations on that hedging method. *Id.* at 3a.

3. The PTO examiner rejected the application for lack of patent-eligible subject matter under 35 U.S.C. 101. Pet. App. 4a. An expanded five-judge panel of the PTO's Board of Patent Appeals and Interferences (Board) affirmed the examiner's decision. *Id.* at 146a-205a. The Board emphasized that petitioners' claims "do not recite any specific way of implementing the steps; do not expressly or impliedly recite any physical transformation of physical subject matter, tangible or intangible, from one state into another; do not recite any electrical, chemical, or mechanical acts or results; \* \* \* and do not involve making or using a machine, manufacture, or composition of matter." *Id.* at 150a. Rather, the claimed method involves only the manipulation of "non-physical financial risks and legal liabilities of the commodity provider, the consumer, and the market participants having a counter-risk position to the consumer." *Id.* at 182a. The Board concluded that a claim limited to such nonphysical transformations is not patentable under Section 101. *Ibid.* The Board further found that petitioners' claims are so broad as to preempt "any and every possible way of performing the steps of the plan" for managing consumption risk. *Id.* at 184a.

4. a. After briefing and argument before a three-judge panel, but before the panel had issued a decision, the court of appeals sua sponte ordered the appeal heard en banc. Pet. App. 144a-145a. The en banc court directed the parties to file supplemental briefs addressing five questions, including "[w]hat standard should govern in determining whether a process is patent-eligible subject matter under [S]ection 101"; "[w]hether a method or process must result in a physical transformation of an article or be tied to a machine to be patent-eligible subject matter under [S]ection 101"; and whether it was



appropriate for the court to reconsider or overrule its decisions in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368 (Fed. Cir. 1998), cert. denied, 525 U.S. 1093 (1999), and *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352 (Fed. Cir.), cert. denied, 528 U.S. 946 (1999), the cases that some patent applicants have invoked in arguing that any series of steps having a “useful, concrete, and tangible result” qualifies as a patent-eligible process. Pet. App. 144a-145a.

b. The en banc court of appeals affirmed. Pet. App. 1a-143a. After reviewing this Court’s precedents discussing the patent eligibility of processes, *id.* at 7a-12a, the court concluded that a claimed process qualifies for patent protection if “(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing.” *Id.* at 12a-13a (citing *Diamond v. Diehr*, 450 U.S. 175, 192 (1981); *Flook*, 437 U.S. at 588 n.9; *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 788 (1877)). The court observed that this Court had applied the “machine-or-transformation test” in *Diehr*, and that such an approach is consistent with this Court’s earlier decisions. Pet. App. 14a & n.8; see *id.* at 15a-16a (explaining 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”) (quoting *Benson*, 409 U.S. at 70) (emphasis added by court of appeals); *id.* at 16a-17a (same) (quoting *Diehr*, 450 U.S. at 184). The court recognized that “future developments in technology and the sciences may present difficult challenges” in applying that test, and it acknowledged the possibility that the Federal Circuit or this Court “may in the future refine

or augment the test or how it is applied.” *Id.* at 17a. The court concluded, however, that for now, “and certainly for the present case,” there was no need to depart from the machine-or-transformation test. *Id.* at 17a & n.12.

The court of appeals also identified two “corollar[ies]” governing application of the machine-or-transformation test, each drawn from this Court’s cases. First, “mere field-of-use limitations are generally insufficient to render an otherwise ineligible process claim patent-eligible.” Pet. App. 18a (citing *Diehr*, 450 U.S. at 191-192 (explaining that restrictions on patenting abstract ideas and mathematical formulas “cannot be circumvented by attempting to limit the use of the formula to a particular technological environment”)). Second, “insignificant post[-]solution activity will not transform an unpatentable principle into a patentable process.” *Id.* at 19a (quoting *Diehr*, 450 U.S. at 191-192); *ibid.* (quoting *Flook*, 437 U.S. at 590 (“The notion that post-solution activity, no matter how conventional or obvious in itself, can transform an unpatentable principle into a patentable process exalts form over substance.”))).

The court of appeals disavowed statements in its own prior decisions that were potentially inconsistent with the machine-or-transformation test. Pet. App. 21a-27a. In particular, the court revisited the oft-quoted language in *State Street Bank* and related cases suggesting that any process that yields a “useful, concrete, and tangible result” is eligible for patent protection. *State Street Bank*, 149 F.3d at 1373 (citation omitted); see Pet. App. 22a-23a (collecting cases). The court explained (*id.* at 23a-24a) that, although that formulation “may in many instances provide useful indications of whether a claim is drawn to a fundamental principle” (by which the

court meant “laws of nature, natural phenomena, and abstract ideas,” *id.* at 8a n.5), that formulation is not by itself sufficient to distinguish patentable from unpatentable processes. The court further noted that the “useful, concrete and tangible result” standard “was certainly never intended to supplant the Supreme Court’s test.” *Id.* at 24a.

Turning to petitioners’ claimed method of hedging risk in the sale of commodities, the court concluded that petitioners’ application “entirely fails the machine-or-transformation test.” Pet. App. 32a. The court explained that the claimed process involves no transformations of articles into different states or things, but at most involves only modifications “of public or private legal obligations or relationships, business risks, or other such abstractions.” *Ibid.* Moreover, the court observed, it is uncontested that petitioners’ claims do not require the use of any particular machine or apparatus. *Ibid.* Indeed, “claim 1 would effectively pre-empt any application of the fundamental concept of hedging and [the] mathematical calculations inherent in hedging.” *Id.* at 36a. Accordingly, the court concluded, petitioners’ “claim is not drawn to patent-eligible subject matter under [Section] 101.” *Id.* at 37a.

c. Judge Dyk, joined by Judge Linn, filed a concurring opinion that reviewed the history of Section 101. Pet. App. 38a-59a. The concurring judges concluded that “the unpatentability of processes not involving manufactures, machines, or compositions of matter has been firmly embedded in the statute since the time of the Patent Act of 1793.” *Id.* at 38a. In particular, they stressed that “[t]here is no suggestion in any of this early [history] of process patents that processes for organizing

human activity were or ever had been patentable.” *Id.* at 50a.

d. Judges Newman (Pet. App. 60a-105a), Mayer (*id.* at 106a-133a), and Rader (*id.* at 134a-143a) filed separate dissenting opinions. Only Judge Newman would have held petitioners’ claims to be patent-eligible under Section 101. See *id.* at 104a. Judge Mayer would have held that process claims “directed to a method of conducting business,” including petitioners’ claims, are categorically ineligible for patent protection. *Id.* at 106a. Judge Rader would have rejected petitioners’ application solely on the ground that it seeks to patent an abstract idea. *Id.* at 134a; see *id.* at 139a.

#### ARGUMENT

The court of appeals held that petitioners’ method of hedging risk in the purchase and sale of commodities is not a “process” eligible for patent protection under 35 U.S.C. 101. That decision is correct and does not conflict with any decision of this Court or any other court of appeals. The court’s decision conforms circuit precedent with this Court’s decisions interpreting Section 101; repudiates earlier Federal Circuit formulations of the standard for patentable processes (such as the “useful, concrete, and tangible result” test) that had engendered confusion in the law; and properly leaves questions not presented by petitioners’ application, such as the circumstances under which computer software may be patented, for resolution in future cases. Further review is not warranted.

1. a. Petitioners’ method for hedging risk in the purchase and sale of commodities—a technique for organizing human activity only—is not a “process” eligible for patent protection under 35 U.S.C. 101. The PTO exam-

iner and five expert administrative judges on the Board unanimously concluded that petitioners' application is not directed to patent-eligible subject matter. Pet. App. 4a, 146a. And while petitioners characterize the decision below as "fractured," Pet. 13, only one member of the en banc court would have held that petitioners' claimed method was patentable.<sup>1</sup>

In affirming the Board's decision, the court of appeals held that a claimed process will qualify for patent protection 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. 12a. That test is drawn directly from this Court's most recent decisions interpreting Section 101, which explain 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." *Diamond v. Diehr*, 450 U.S. 175, 184 (1981) (quoting *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972)); see generally *id.* at 181-184 (using standard tools of statutory construction—including consideration of ordinary meaning, legislative history, and case law—to arrive at machine-or-transformation test). The machine-or-transformation test is also consistent with this Court's earlier cases interpreting the same provision. See Pet. App. 14a (citing *Tilghman v. Proctor*, 102 U.S. 707, 729 (1880) (process for transforming fats into constituent compounds held patentable); *Cochrane v. Deener*, 94 U.S. 780, 784-788 (1877) (process for transforming grain meal

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<sup>1</sup> Nine of the 12 judges on the en banc court joined the majority opinion. Pet. App. 1a. Of the three dissenting judges, only one would have held that petitioners' hedging method qualifies as a "process" eligible for patent protection. *Id.* at 60a-105a (Newman, J., dissenting); see p. 8, *supra*.

into purified flour held patentable); *O'Reilly v. Morse*, 56 U.S. (15 How.) 62, 113 (1854) (holding unpatentable a process claim purporting to cover any use of electromagnetism to print letters at a distance, untied to any particular apparatus)).

The decision below represents an unremarkable application of that machine-or-transformation test. As the Board explained, petitioners' claims

do not recite any specific way of implementing the steps; do not expressly or impliedly recite any physical transformation of physical subject matter, tangible or intangible, from one state into another; do not recite any electrical, chemical, or mechanical acts or results; do not directly or indirectly recite transforming data by a mathematical or non-mathematical algorithm; are not required to be performed on a machine, such as a computer, either as claimed or disclosed; could be performed entirely by human beings; and do not involve making or using a machine, manufacture, or composition of matter.

Pet. App. 150a. Rather, as the court of appeals concluded, petitioners seek to patent “[p]urported transformations or manipulations simply of public or private legal obligations or relationships, business risks, or other such abstractions,” without any connection to a particular device or article and without “the transformation of any physical object or substance” into another state or thing. *Id.* at 32a.

This Court has never suggested that a method of this kind, relating to purely human activity, may properly be the subject of a patent. To the contrary, the Court has repeatedly made clear that the term “process” in Section 101 carries a significantly narrower and more tech-

nical meaning. See *Diehr*, 450 U.S. at 184; *Parker v. Flook*, 437 U.S. 584, 588-589 (1978); *Cochrane*, 94 U.S. at 788 (“A process is \* \* \* an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing.”). As the court of appeals recognized, the abstract nature of petitioners’ claims places them outside the bounds of a patent-eligible process. See Pet. App. 29a (explaining that the court saw “no reason here to expand the boundaries of what constitutes patent-eligible transformations of articles” to include “manipulation of \* \* \* abstract constructs such as legal obligations, organizational relationships, and business risks”); see also *id.* at 184a (Board opinion) (“Because the steps cover (‘preempt’) any and every possible way of performing the steps of the plan, by human or by any kind of machine or by any combination thereof, we conclude that the claim is so broad that it is directed to the ‘abstract idea’ itself.”). This Court has consistently held that abstract claims of that kind are not patentable under Section 101. See, e.g., *Diehr*, 450 U.S. at 185-187; *Benson*, 409 U.S. at 71-72; *Morse*, 56 U.S. (15 How.) at 113.

b. In contending (Pet. 17) that the court of appeals has adopted a “rigid” test that conflicts with this Court’s decisions, petitioners emphasize that the Court in *Benson* and *Flook* declined to embrace the machine-or-transformation test out of a concern for accommodating unforeseen technologies. See *Benson*, 409 U.S. at 71 (“We do not hold that no process patent could ever qualify if it did not meet the requirements of our prior precedents.”); *Flook*, 437 U.S. at 588 n.9 (“As in *Benson*, we assume that a valid process patent may issue even if it does not meet one of these qualifications of our earlier precedents.”). But as the court of appeals observed

(Pet. App. 16a-17a), this Court did not repeat that caveat in *Diehr* when it stated (quoting earlier decisions) 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.” 450 U.S. at 184 (quoting *Benson*, 409 U.S. at 70 (quoting *Cochrane*, 94 U.S. at 788)). In any event, the court of appeals specifically acknowledged the Court’s earlier hesitation in *Benson* and *Flook*, see Pet. App. 16a-17a, and made clear that the door remains open for future refinements of the machine-or-transformation test, as necessary, to accommodate new technologies:

[W]e agree that future developments in technology and the sciences may present difficult challenges to the machine-or-transformation test, just as the widespread use of computers and the advent of the Internet has begun to challenge it in the past decade. \* \* \* And we certainly do not rule out the possibility that this court may in the future refine or augment the test or how it is applied. At present, however, and certainly for the present case, we see no need for such a departure.

*Id.* at 17a. Such an accretionary approach is entirely consistent with this Court’s decisions. It is also prudent, for it accommodates the possibility of unforeseen technological innovations, while at the same time providing a reasonably clear rule for the PTO to apply in examining process claims (such as petitioners’) that are addressed solely to the organization of human activity.

c. Petitioners contend that the court of appeals’ ruling is inconsistent with Congress’s purported intent to authorize the issuance of patents for “anything under the sun that is made by man.” Pet. 16 (quoting *Dia-*



*mond v. Chakrabarty*, 447 U.S. 303, 309 (1980) (quoting S. Rep. No. 1979, 82d Cong. 2d Sess. 5 (1952); and H.R. Rep. No. 1923, 82d Cong., 2d Sess. 6 (1952))). But as some of the opinions below observed (Pet. App. 58a (Dyk, J., concurring); *id.* at 110a-111a (Mayer, J., dissenting); *id.* at 156a-157a & n.5 (Board)), the cited legislative history, when read in context, supports only a more modest proposition:

A person may have ‘invented’ a machine or a manufacture, which may include anything under the sun that is made by man, but it is not necessarily patentable under section 101 unless the conditions of the title are fulfilled.

S. Rep. No. 1979, *supra*, at 5; H.R. Rep. No. 1923, *supra*, at 6. As the context makes clear, the “anything under the sun” language was not addressed to process claims at all, but rather to machines and “manufactures,” which this Court had previously construed to encompass “anything made for use from raw or prepared materials.” *American Fruit Growers, Inc. v. Brogdex Co.*, 283 U.S. 1, 11 (1931) (defining “manufacture”) (citation omitted). Consistent with that understanding, this Court specifically considered the Senate and House Reports’ reference to “anything under the sun” before concluding that a patent-eligible process is defined by the machine-or-transformation test. *Diehr*, 450 U.S. at 182. At a minimum, as the Board recognized, the legislative history lends no support to petitioners’ notion that “‘anything under the sun made by man’ was intended to include every series of acts conceived by man.” Pet. App. 157a; see *id.* at 58a (Dyk, J., concurring) (“It refers to things ‘made by man,’ not to methods of organizing human activity.”).

d. There is likewise no merit to petitioners' contention that the machine-or-transformation test "threatens to stifle innovation in emerging technologies." Pet. 25; see Pet. 25-32. As already discussed, the test flows directly from this Court's decisions, including its recent ones. Moreover, the court of appeals expressly left room to accommodate emerging technologies. Pet. App. 17a.

In any event, the court of appeals emphasized that its decision in this case does not address the application of the machine-or-transformation test to computer software, data-manipulation techniques, or other such technologies not involved in petitioners' risk-hedging claim. See, *e.g.*, Pet. App. 25a n.23 ("[T]he process claim at issue in this appeal is not, in any event, a software claim. Thus, the facts here would be largely unhelpful in illuminating the distinctions between those software claims that are patent-eligible and those that are not."); *id.* at 28a ("We leave to future cases the elaboration of the precise contours of machine implementation, as well as the answers to particular questions, such as whether or when recitation of a computer suffices to tie a process claim to a particular machine."); *id.* at 29a (indicating that the court will take "a measured approach" in applying the machine-or-transformation test to electronically manipulated data).

Thus, even if petitioners' policy arguments had merit, they are essentially irrelevant to the proper disposition of this case because petitioners' patent application involves none of the frontier technologies on which the petition dwells. Indeed, the abstract market-hedging scheme that petitioners seek to patent is ineligible under any conventional understanding of Section 101. This case accordingly provides no opportunity for the Court to address the problems that may arise in applying Sec-

tion 101 to technologies unforeseen by Congress in the 1952 Patent Act, such as “photonic[s]” (Pet. App. 60a (Newman, J., dissenting)) or “subatomic particles” (*id.* at 134a (Rader, J., dissenting)).<sup>2</sup>

e. Petitioners contend that the PTO “has acknowledged that this is a good case for review.” Pet. 33. The agency supported en banc review in the court of appeals so that the court could clarify its circuit precedent in light of this Court’s jurisprudence. Resp. Supp. C.A. Br. 3. The court of appeals did so. In particular, the court revisited the suggestion in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d 1368 (Fed. Cir. 1998), cert. denied, 525 U.S. 1093 (1999), *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352 (Fed. Cir.), cert. denied, 528 U.S. 946 (1999), and related cases that any process yielding a “useful, concrete, and tangible result” is eligible for patent protection. *E.g.*, *State Street*, 149 F.3d at 1373 (citation omitted); see Pet. App. 22a-23a. Sitting en banc, the court of appeals explained that the “useful, concrete, and tangible result” formulation is not alone sufficient to distinguish patentable from unpatentable processes, and that the standard “was certainly never intended to supplant the Supreme Court’s test.” *Id.* at 24a.

Contrary to petitioners’ suggestion (*e.g.*, Pet. 18-19), the court of appeals’ decision does not disrupt any well-founded expectations. Neither this Court nor the Federal Circuit has ever held that claims (like petitioners’)

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<sup>2</sup> This case—which involves a non-machine implemented, non-transformative method—is likewise not an appropriate vehicle to review any potential application of the machine-or-transformation test to computer-software or non-method claims. See Pet. 32 (citing Board cases purportedly applying the machine-or-transformation test in those contexts).

that describe nothing more than a series of steps performed by humans are eligible for patent protection. For example, as the court of appeals observed (Pet. App. 23a n.18), the claim at issue in *State Street* was drawn to a “machine,” 149 F.3d at 1372, and the claim in *AT&T* described a machine-based process, 172 F.3d at 1357-1358. A “useful, concrete, and tangible result” test for patent-eligibility has no grounding in this Court’s precedents “and, if taken literally, \* \* \* would cover instances where this Court has held the contrary.” *Laboratory Corp. of Am. Holdings v. Metabolite Labs., Inc.*, 548 U.S. 124, 136 (2006) (Breyer, J., dissenting from dismissal of writ of certiorari).

2. Petitioners contend (Pet. 23) that the decision below is inconsistent with 35 U.S.C. 273, which in certain circumstances provides preexisting users of patented business methods an affirmative defense against infringement claims. See 35 U.S.C. 273(b); see also 35 U.S.C. 273(a)(3) (“For purposes of this section \* \* \* the term ‘method’ means a method of doing or conducting business.”). This case does not provide a suitable vehicle for addressing the meaning and scope of Section 273. Neither the majority opinion below nor the principal dissent discussed that provision.<sup>3</sup> Nor was the issue a focus of the briefing below. That is likely because there has been no assertion of infringement in this case, and hence no opportunity to examine the scope of the affirmative defense provided in Section 273. Thus, even if questions concerning the meaning and scope of that provision otherwise warranted this Court’s review, no such issue is squarely presented here.

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<sup>3</sup> Section 273 was cited only once in the opinions below, in a footnote in the dissenting opinion of Judge Mayer. Pet. App. 118a n.8.

In any event, nothing in the decision below is inconsistent with Section 273. Petitioners contend that Section 273's legislative history demonstrates that "Congress embraced both business methods and the Federal Circuit's *State Street Bank* 'useful, concrete, and tangible result' test." Pet. 23 (citing 145 Cong. Rec. S14,717 (daily ed. Nov 17, 1999)). But the text of Section 273 does not address the criteria for patent-eligibility, much less adopt a "useful, concrete, and tangible result" test. See 35 U.S.C. 273. Moreover, even if Section 273 reflected a congressional acknowledgment that business methods are patentable (rather than merely providing a special defense for parties accused of infringing such patents), the court below did not hold that business methods are categorically ineligible for patent protection. Indeed, the majority expressly rejected calls to endorse that view. Compare Pet. App. 25a, with *id.* at 106a-133a (Mayer, J., dissenting) (arguing that business methods are categorically unpatentable). The court merely recognized that patent applications directed to business methods are "subject to the same legal requirements for patentability as applied to any other process or method." *Id.* at 25a (quoting *State Street Bank*, 149 F.3d at 1375).<sup>4</sup> That conclusion is correct and consistent with Section 273.

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<sup>4</sup> Contrary to petitioners' suggestion (Pet. 21-24), the decision below does not limit patentable processes to "manufacturing methods." Pet. 21. Process claims that describe the operation of a machine (including programmed computers) would not necessarily be ineligible under the machine-or-transformation test. And, nothing in the decision below threatens the eligibility of biotechnological or chemical inventions for patent protection, as long as they involve a transformation.

**CONCLUSION**

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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