No. 08-964

In The

Supreme Court of the United States

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,
Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF OF *AMICUS CURIAE* AWAKENIP, LLC IN SUPPORT OF PETITIONERS

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INTEREST OF *AMICUS CURIAE*

Pursuant to Supreme Court Rule 37, AwakenIP, LLC (hereinafter "AwakenIP") submits this brief as *amicus curiae* in support of Petitioners Bernard L. Bilski, *et al.*[1] All parties have consented to the filing of *amicus curiae* briefs with this Court.

AwakenIP provides intellectual property consulting services that help maximize the value of intellectual assets. Furthermore, through its new blog website at AwakenIP.com, it attempts to reignite broader recognition of the full value of intellectual property. Much criticism has been levied against the usefulness of intellectual property and its place in our new economy, but there are those among us who continue to recognize the wisdom of maintaining strong intellectual property protection for worthwhile contributions that "promote the progress of science and useful arts."

While there has always been a need to distinguish and properly limit the scope of protection for worthwhile contributions, the pendulum of protection has been swinging in the direction of weaker protection for a number of years. It is time for the pendulum to begin swinging in the other direction, or the value of innovation and creativity will eventually disappear. It is time for intellectual

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[1] Pursuant to Supreme Court Rule 37.6, counsel for *amicus curiae* certifies that no counsel of either party authored the brief in whole or in part and that no person or entity other than the named *amicus curiae* or its counsel has made a monetary contribution to the preparation or submission of this brief.

property and those who recognize our vital need for it to wake up.

AwakenIP is very interested in the outcome of the case before the Court and is concerned that the Court of Appeals for the Federal Circuit obfuscated Congressional intent by rigidly construing § 101 of the Patent Act and imposing ambiguous and arbitrary requirements on patent seekers.

SUMMARY OF ARGUMENT

1. The Federal Circuit's decision held that a process that is not tied to a particular machine or fails to transform a particular article is not patentable. This test requires courts and examiners at the United States Patent and Trademark Office (USPTO) to distinguish abstract ideas from processes that satisfy the machine-or-transformation test. This task of distinguishing abstract ideas from protectable subject matter suffers from the same vagaries that plague the copyright idea/expression dichotomy. The Federal Circuit's decision threatens to transform patentable subject matter analysis from a once bright-line rule to a complicated and unworkable analysis that currently haunts copyright law.

2. The Federal Circuit's machine-or-transformation test resonates negative implications across fields beyond business methods. For instance, courts have experienced difficulty in applying the rigid test to unpredictable fields such as biotechnology. Moreover, existing patentability guidelines proscribed by sections 102, 103, and 112 of the Patent Act provide clear and adequate direction for determining patentability in the unpredictable fields. In fact, courts have recognized the importance of sections 102, 103, and 112 in evaluating

patent applications in the unpredictable fields.

3. The Federal Circuit's machine-or-transformation test has created superfluous confusion among lower courts and the USPTO. Consequently, the Federal Circuit has disrupted long-settled court precedent. As such, this Court should resolve the pending action in favor of Petitioners.

ARGUMENT

I. THE FEDERAL CIRCUIT HAS CREATED AN UNWORKABLE ABSTRACT IDEA TEST FOR DETERMINING PATENTABILITY THAT WILL UNDULY SUFFER LIKE THE VAGUE COPYRIGHT IDEA/EXPRESSION DICHOTOMY

The machine-or-transformation test is forcing the well-defined concepts of patentable subject matter toward the complex abstract idea analysis that has frustrated copyright attorneys for decades. Specifically, following the Federal Circuit's decision, the task of relegating protected elements and abstract elements in computer program patent infringement claims will soon mirror the baffling and multifarious procedures of computer program copyright analysis.

It is a fundamental principle of copyright law that copyright protection does not extend to an idea, only to the expression of the idea. *See* 17 U.S.C. § 102(b); *Mazer v. Stein*, 347 U.S. 201, 217 (1954); *Baker v. Seldon*, 101 U.S. 99 (1879). In recent years the limitation on ideas has developed into the "idea/expression dichotomy." As this Court stated in *Harper & Row Publishers, Inc. v. Nation Enterprises*, quoting the Second Circuit's analysis, "idea/expression dichotomy strike[s] a definitional balance between the First Amendment and the Copyright Act by permitting free communication of facts while still protecting an author's expression." 471 U.S. 539, 556 (1985).

Computer programs are regulated under the same laws, and no special exceptions exist. Legislative history specifically states that copyright laws protect computer programs only "to the extent that they incorporate authorship in programmer's expression of original ideas, as distinguished from the ideas themselves." *See* H.R.Rep. No. 1476, 94th Cong., 2d Sess. 54, reprinted in 1976 U.S.C.C.A.N. 5659, 5670. Confirming this principle, a definition of the term "computer program" was added to 17 U.S.C. § 101 as an amendment to the 1976 Copyright Act. *See* Pub.L. No. 96-517, § 10(a), 94 Stat. 3028 (1980).

Through years of analyzing the idea/expression dichotomy, the courts have struggled with attempting to define what is protected under copyright law and what is simply an abstract idea regarding computer programs. Judge Learned Hand noted that "[n]obody has ever been able to fix that boundary, and nobody ever can." *Nichols v. Universal Pictures Co.*, 45 F.2d 119, 121 (2d Cir. 1930). Thirty years later Judge Hand concluded "[o]bviously, no principle can be stated as to when an imitator has gone beyond copying the 'idea,' and has borrowed its 'expression.'" *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, 274 F.2d 487, 489 (2d Cir. 1960). Instead, no bright line test exists and "[d]ecisions must therefore inevitably be ad hoc." *Id.*

In 1986, the Third Circuit in *Whelan Associates, Inc. v. Jaslow Dental Laboratory, Inc.*, tried in vain to utilize the idea/expression dichotomy with software programs. 797 F.2d 1222, 1237 (3d Cir. 1986). The court was tasked with determining which aspects of a computer program were ideas and

which were expression. *Id.* at 1234. The court observed "the purpose or function of a utilitarian work would be the work's idea, and everything that is not necessary to that purpose or function would be part of the expression of the idea." *Id.* at 1236. This attempt to simplify an already impossible examination with an even more complicated series of tests was immediately criticized by subsequent courts and even the academic community at large. See *Broderbund Software Inc. v. Unison World, Inc.*, 648 F.Supp. 1127, 1133 (N.D. Cal. 1986); *Plains Cotton Co-op v. Goodpasture Computer Serv., Inc.*, 807 F.2d 1256, 1262 (5th Cir.) *cert. denied*, 484 U.S. 821 (1987); See generally Steven R. Englund, Note, *Idea, Process, or Protected Expression?: Determining the Scope of Copyright Protection of the Structure of Computer Programs*, 88 MICH.L.REV. 866, 867-73 (1990).

Seeing the *Whelan* court's failed attempt, in 1992 the Second Circuit created the abstraction-filtration-comparison test in *Computer Associates International v. Altai* as an attempt to clarify some of the confusion surrounding the idea/expression dichotomy for computer program protection. 982 F.2d 693, 707 (2nd Cir. 1992). According to the Second Circuit, *Whelan*'s approach of separating idea from expression in computer programs "relies too heavily on metaphysical distinctions" and "a satisfactory answer to this problem cannot be reached by resorting, a priori, to philosophical first principals." *Id.* at 706. The *Altai* case involved a copyright infringement claim where the defendant

enlisted clean room programmers[2] to produce code designed to operate like the plaintiff's code. *Id.* at 700. The Second Circuit implemented a new substantial similarity test to determine whether the defendant had infringed the plaintiff's protected expression, as opposed to permissibly using the unprotectable ideas. *Id.* at 701. That is, the court applied the abstraction-filtration-comparison test, which offers one way to determine which aspects of the computer program involve ideas and which are expressions. Ultimately, no copyright infringement was found as a result in that case.

It is instructive to appreciate the complexity that is involved in distinguishing protectable subject matter from abstract ideas in the copyright context under this test. First, the abstraction step of the abstraction-filtration-comparison test requires that "a court should dissect the allegedly copied program's structure and isolate each level of abstraction contained within it." *Id.* at 707. The implementation begins with the lowest level of abstraction, the physical code, and ends with the highest level of abstraction, the program's ultimate function. *Id.*

Once the levels of abstraction have been determined and separated, the filtration step is then used to separate protectable expressions from non-protectable material. *Id.* A "successive filtering method" is first implemented to "examine the structural components at each level of abstraction." On a per level basis, particular inclusions are

[2] Programmers with no direct access to the original code.

determined to be "[an] 'idea' or . . . dictated by considerations of efficiency, so as to be necessarily incidental to that idea." *Id.* Courts must consider the "structural content of an allegedly infringed program for elements that might have been dictated by external factors." *Id.* at 710. Courts must also consider elements dictated by efficiency through examining "'whether the use of this particular set of modules is necessary efficiently to implement that part of the program's process' being implemented." *Id.* at 708. If the court finds elements dictated by efficiency, then "the expression represented by the programmer's choice of specific module or group of modules has merged with their underlying idea and is unprotected." *Id.* Courts must then filter out unprotectable material that is determined to be "free for the taking and cannot be appropriated by a single author even though included in a copyrighted work". *Id.* at 710.

Finally, the comparison step occurs once courts have filtered out "all elements of the allegedly infringed program which are 'ideas' or are dictated by efficiency or external factors, or taken from the public domain." *Id.* at 710. What remains is considered the "core of protectable expression." *Id.* This 'core of protectable expression' is then compared to the alleged infringing work to determine whether the defendant copied any aspect of the protected expression. *Id.* If all similarities in expression arise from external factors, elements of efficiency, or use of common ideas, then no substantial similarity can be found. *Data East USA, Inc. v. Epyx, Inc.*, 862 F.2d 204, 208 (9th Cir. 1988).

One year after the *Altai* decision, the Tenth Circuit reaffirmed the abstraction-filtration-comparison test in *Gates Rubber v. Brando Chemical*. 9 F.3d 823, 830 (10th Cir. 1993). The court in *Gates Rubber* divided the levels of abstraction into six categories: "(i) the main purpose, (ii) the program structure or architecture, (iii) modules, (iv) algorithms and data structures, (v) source code, and (vi) object code." *Id.* at 835. The imposition of abstraction levels allows for some generalities regarding filtering. For example, the program's purpose, the highest level of abstraction, will generally always be filtered out because it is simply an abstract idea. Similarly, the object code, the lowest abstraction, if copied, will generally always lead to copyright infringement. However, the intermediate levels require complex and ad hoc filtering examination.

While the abstraction-filtration-comparison test likely constricted the unfixable boundary analogized by Judge Hand in *Nichols*, it is still far from concrete. Furthermore, the additional levels of analysis provide even more opportunity for uncertainty. In stark contrast, prior patent law has successfully steered clear of the complexities and vague procedures that have hindered copyright abstraction analysis. Patents, on the other hand, have claims that are intended to provide just such a bright line. Whereas the abstraction-filtration-comparison test determines what is protected and what is an abstract idea for copyright infringement, a potential patent infringer need only construe the patent's claims for notice of protected subject matter. As best stated in *Warner-Jenkinson Co., Inc. v.*

Hilton Davis Chemical Co., "[t]he presumption we have described . . . gives proper deference to the role of claims in defining an invention and providing public notice." 520 U.S. 17, 33-34 (1997).

The Federal Circuit's decision threatens to transform patentable subject matter analysis from a once bright-line rule to a complicated and seemingly impossible analysis. By requiring a process to meet its arbitrary machine-or-transformation test, the Federal Circuit has rejected this Court's definition of patentable subject matter: "anything under the sun that is made by man" except "laws of nature, natural phenomena, and abstract ideas." *Diamond v. Diehr*, 450 U.S. 175, 182, 185 (1981). This test now requires District Courts, and even examiners at United States Patent and Trademark Office (USPTO), to determine whether a process passes the complex machine-or-transformation test.

How can we possibly expect USPTO examiners and District Courts to distinguish abstract processes from process that satisfy the machine-or-transformation test when this Court has noted its own struggles in examining this issue? Dissenting from the Court's dismissal in *Laboratory Corp. of American Holdings v. Metabolite Laboratories, Inc.*, Justice Breyer conceded the difficulty of defining non-patentable subject matter such as mental processes and abstract intellectual concepts. 548 U.S. 124, 134 (2006). Drawing this conclusion, he analogized those categories of subject matter to similar categories within copyright law. *Id.* To support his contention, Justice Breyer cited *Nichols v. Universal Pictures Corp.*: "[W]e are as aware as

anyone that the line [between copyrighted material and non-copyrightable ideas], wherever it is drawn, will seem arbitrary." *Id.* Further, Justice Breyer recognized that "all conscious human interaction involves a mental process" and as such "many a patentable invention rests upon its inventor's knowledge of natural phenomena," and "many 'process' patents seek to make abstract intellectual concepts workably concrete." *Id.* Much as copyright law's approach to determining protectable material resides in a quagmire of uncertainty, Justice Breyer's recognition reveals that a similar approach to patents would create similar confusion.

In truth, words are themselves abstractions of reality, so it is logically futile, or at least immensely problematic, to attempt to use abstractions to define meaningful and workable distinctions between different types of abstractions, or between un-protectable "fundamental principles" and protectable "applications" of those principles. Indeed, the words "fundamental principle" and "application of a fundamental principle" can almost always be applied to the same claim terminology since there usually exist both higher and lower levels of abstraction in most situations, regardless of the context. This Court is urged not to make the mistake of attaching additional words that beg further definitions, such as merely claiming a "result" or "effect," since such scope analyses are more appropriately handled under Title 35 U.S.C. § 102 novelty and §103 obviousness. Similarly, claims also should not be considered abstract simply because of their vagueness or lack of specificity since such analyses

are more appropriately handled under Title 35 U.S.C. § 112.

As such, the Federal Circuit's holding creates a further undefinable standard that brings the once concrete patentable subject matter analysis an unfixable boundary similar to that between abstract idea and expression that currently haunts copyright law. Instead, the Court should stick very close to the statutory phrase "useful process" for evaluating the statutory subject matter question for processes. This Court should leave behind all other abstractions of abstractions.

II. A BROAD, JUDICIALLY-MADE § 101 TEST WILL PRECLUDE PATENTS AND STIFLE INNOVATION FOR NEW TECHNOLOGY IN THE UNPREDICTABLE FIELDS

A. The Federal Circuit's decision negatively affects biotechnologies, not simply business methods

It will be difficult to apply the machine-or-transformation test to biotechnology inventions, where patentable subject matter challenges often allege preemption of a natural phenomena or law of nature. In *Classen Immunotherapies, Inc. v. Biogen IDEC*, claims were directed to methods for determining an optimal immunization schedule by comparing the observed incidence of immune-

mediated disorders in treatment groups subjected to different vaccination schedules. 304 Fed. Appx. 866, 866 (Fed. Cir. 2008); *Classen Immunotherapies, Inc. v. Biogen IDEC*, 2006 WL 6161856 at *1 (N.D. Md. Aug. 16, 2006). The Federal Circuit summarily applied its new machine-or-transformation test to find the claims to be outside the scope of § 101. *Classen*, 304 Fed. Appx at 866. Unfortunately, the court provided no framework for future analyses. This § 101 test is clearly incompatible with many biotechnology inventions, as they do not require machines (in the customary way of thinking about machines). However, the claims do arguably involve a transformation. Claim 1 of the *Classen* patent recites a "method . . . which comprises immunizing mammals in the treatment group of mammals with one or more doses of one or more immunogens." The immunization of a mammal clearly effects a transformation of a particular article (a mammal) into a different state (a state of induced immunity).

Classen is a good demonstration that the machine-or-transformation test fails to function in the unpredictable fields.

B. Sections 102, 103, and 112 of the Patent Act provide sufficient guidance for determining patentability in the unpredictable fields

For an inventor to be entitled to a patent on a claimed invention, the inventor must, at the very least, meet the utility, novelty, non-obviousness, and disclosure requirements of sections 101, 102, 103,

and 112 of the Patent Act. It is important to emphasize that the issue in this case is only whether a claimed invention is statutory subject matter under § 101.

Recently, this Court considered addressing the merits of a § 101 dispute and clarifying what is patentable in *Lab. Corp.* 548 U.S. at 124. This Court granted certiorari but dismissed the case before reaching the merits. *Id.* Wishing to address the merits, three dissenting justices objected to the claimed process as being unpatentable. *Id.* at 133. Writing for the dissent, Justice Breyer stated: "[The patent] embod[ies] only the correlation between homocysteine and vitamin deficiency that the researchers uncovered. In my view, that correlation is an unpatentable 'natural phenomenon,' and I can find nothing in [*Lab. Corp.*'s] claim 13 that adds anything more of significance." *Id* at 137-138.

Specifically, *Lab. Corp.*'s claim 13 recites:

> A method for detecting a deficiency of cobalamin or folate in warm-blooded animals comprising the steps of:
>
> assaying a body fluid for an elevated level of total homocysteine; and
>
> correlating an elevated level of total homocysteine in said body fluid with a deficiency of cobalamin or folate.

Id at 129.

Although Justice Breyer determined that *Lab. Corp.*'s claim 13 was unpatentable as being a "phenomenon of nature," he conceded that categorizing non-patentable "phenomena of nature"

is difficult. *Id.* Considering then the difficulty of categorizing non-patentable "phenomena of nature," it stands to reason that Justice Breyer's thoughtful concern as to the patentability of *Lab. Corp.*'s claim 13 may be misplaced.

In *Lab. Corp.*, there was a specifically tailored use derived from the phenomena by the creativity of man. This was why the lower courts *and* the USPTO affirmed the validity of the claim, illustrating further that the issue of patentability is better dealt with through novelty, obviousness and written description inquiries. In addition, the patent owner, Competitive Technologies, Inc., subsequently initiated reexamination in the USPTO. *Id.* at 128; *Ex parte Competitive Technologies, Inc.*, Appeal No. 2009-005519 (B.P.A.I. July 30, 2009). Upon reexamination of the patent, the Board of Patent Appeals and Interferences (BPAI) reversed the examiner's § 103 rejection. *Ex parte Competitive Technologies, Inc.*, Appeal No. 2009-005519. Determining that the claims are patentable under § 103, this decision by the BPAI provides evidence that sections 102, 103, and 112 of the Patent Act provide sufficient guidance for determining patentability in the unpredictable fields.

In *Ariad Pharms., Inc. v. Eli Lilly & Co.*, the Federal Circuit found that the claims were invalid for violating the written description requirement of § 112. 560 F.3d 1366, 1376 (Fed. Cir. 2009). *Ariad Pharms* and *Classen* together demonstrate that reviewing patentability through §§ 102, 103, and 112 provides clearer guidance than a § 101 analysis. That is, the Federal Circuit provided clear standards for reviewing written description and enablement

standards in *Ariad Pharms* but failed to articulate the application of the machine-or-transformation test to unpredictable arts in *Classen*. This Court faces the question of whether a judge-made test is appropriate, or for that matter necessary, in light of other statutory tests that are clear, articulate, and well established, especially in the unpredictable arts where scientific advances are, by definition, unpredictable and likely to suffer from rigidly applied tests.

Finally, the timing delay implications for ad hoc determinations of statutory subject matter can be particularly harmful for biotechnology inventions. In hearings by the Federal Trade Commission on Intellectual Property in the Marketplace, Assistant Vice Chancellor for Intellectual Property & Industry Research Alliances Carol Mimura stated that "in the area of early-stage patents . . . these [biotechnology] patents are very crucial to the success of start-up companies that are spawned from university research." Federal Trade Commission hearings, The Evolving IP Marketplace: The Operation of IP Markets, 6 Monday, May 4, 2009. The patent application in the present case was filed in 1997. Twelve years have transpired, and the ad hoc analysis continues. When patents are so important to the growth of entire industries, the determination of patent eligibility—a gateway question—must be clear.

III. AMBIGUITY IN THE FEDERAL CIRCUIT'S NEW MACHINE-OR-TRANSFORMATION TEST HAS ALREADY FOSTERED HARMFUL CONFUSION AND UNCERTAINTY IN THE CASE LAW AND USPTO APPEALS THAT HAVE FOLLOWED

The Federal Circuit's decision held that processes not transforming a particular article must be tied to a particular machine. *In re Bilski*, 545 F.3d at 954. However, the Federal Circuit declined to offer guidance on what is meant by "particular machine," including the question of whether reciting particular software suffices to tie a process to a particular machine. *Id.* at 962.

Prior to the Federal Circuit's decision, it had been well-settled law that a computer programmed with particular software was patentable subject matter. *In re Alappat*, 33 F.3d 1526, 1545 (Fed. Cir. 1994). In the front-page holdings, the Federal Circuit expressly "abrogated" *Alappat* by name. *In re Bilski*, 545 F.3d at 943. However, the only negative treatment offered in the body of the opinion was directed toward *Alappat's* role in establishing the "useful, concrete and tangible result" test, from which the Federal Circuit now departs. *Id.* at 959. No mention was made regarding *Alappat's* guidance on machines particularized by programming, despite Judge Newman's dissent urging the majority to clarify what exactly was being abrogated. *Id.* at 994. The majority simply left the question to future cases. *Id.* at 962.

The Federal Circuit again declined to provide clarity in *In re Comiskey*. 554 F.3d 967 (Fed. Cir. 2009). Faced with an arbitration system implemented with various software modules and a database, the court held that "under the broadest reasonable interpretation" the system represented a machine. *Id.* at 981. However, the Federal Circuit panel nevertheless remanded to the USPTO for determining whether the system claims were statutory as machines. *Id.* at 971. Dissenting from the *en banc* decision, Judge Moore sharply criticized the majority for remanding the case on this issue since *In re Bilski*, in her opinion, did not affect whether machine claims were statutory under *Alappat*. *In re Comiskey*, 89 U.S.P.Q.2d 1641, 1650 (Fed. Cir. 2009).

The result of this ambiguity has been confusion and conflict in the USPTO and lower courts, with rampant uncertainty for American inventors. The USPTO still seems to regard particularized software as sufficiently particularizing a machine for § 101 purposes. In *Ex parte Cornea-Hasegan*, the Board of Patent Appeals and Interferences considered a method for routing computations to either software or specialized hardware, based on which of the two would be best suited for the task. 89 U.S.P.Q.2d 1557, 1558 (B.P.A.I. 2009). The BPAI rejected the claims for merely reciting a "processor" because a general purpose processor is not patentable when programmed in an "unspecified manner." *Id.* at 1560-61. Subsequent BPAI decisions reiterated that claims reciting a general purpose processor are unpatentable unless they specify the manner of programming with particularity. *See, e.g., Ex parte*

Gutta, 2009 WL 112393 (B.P.A.I. Jan. 15, 2009); *Ex parte Barnes*, 2009 WL 164074 (B.P.A.I. Jan 22, 2009). Additionally, in *Ex parte Atkin*, the BPAI established that sufficient particularity may exist when referring to the patent specification via means-plus-function language. 2009 WL 247868 at *9 (B.P.A.I. Jan. 30, 2009).

Fissures have also emerged at the district court level as judges attempt to decipher the new landscape. In March of 2009, the Northern District of California granted summary judgment in an infringement action involving a process for detecting credit card fraud in online transactions. *CyberSource Corporation v. Retail Decisions, Inc.*, 620 F.Supp.2d 1068, 1071, 1081 (N.D.Cal. 2009). Judge Patel viewed *Bilski* as abrogating more than those portions of *Alappat* that laid the foundation for *State Street's* "useful, concrete and tangible result" test. *Id*. at 1080-81. Indeed, she viewed *all* portions of *Alappat* as abrogated entirely, including the software question which the Federal Circuit's decision in *In re Bilski* expressly deferred to future cases. *Id*. at 1080-81.

This view has carried a weight inordinate to a lone California district court ruling. Judge Patel was shortly thereafter invited to sit by designation on the Federal Circuit bench, authoring the panel decision for *Wavetronix LLC v. EIS Electronic Integrated Systems*. 2009 WL 2245213 (Fed. Cir. 2009). Judge Patel's views on *In re Bilski* and *Alappat* may thus have more in common with the direction in which the Federal Circuit is headed.

Even so, Judge Patel's neighboring district gave little deference to this *CyberSource* view three months later. In *DealerTrack, Inc. v. Huber*, the Central District of California granted summary judgment against the patentee in an infringement action involving an automated credit approval process for automotive dealers. 2009 WL 2020761 at *1 (C.D.Cal. 2009). The court correctly noted that *Bilski* declined to adopt any new broad exclusion over software, and that it has been well-settled law that "a general purpose computer in effect becomes a special purpose computer once it is programmed to perform particular functions pursuant to instructions from program software." *Id.* at *3 (citing *In re Alappat*, 33 F.3d 1526, 1545 (Fed. Cir. 1994)).

The Central District of California acknowledged the *CyberSource* court's holding that a process performed "over the Internet" does not satisfy the "machine" rubric of *Bilski*. *Id.* But the court rejected the view that particularized programming on a general purpose computer is no longer patentable subject matter. *Id.* at *4. The court's determination of invalidity was expressly based on the finding that DealerTrack's patent did not specify the programming with sufficient particularity to meet the discussed *Alappat* standard. *Id.*

None of the present uncertainty is proper in light of the plain language of § 101 and subsequent legislative treatment of the statute, nor is it necessary to meet the policy considerations behind this Court's precedent upon which the Federal Circuit relied. At each step of the way in the Federal

Circuit's analysis, the question of preempting abstract ideas and other fundamental principles was presented as the underlying Supreme Court concern. *See Diamond v. Diehr*, 450 U.S. 175, 187 (1981) ("[the inventors] do not seek to pre-empt the use of that equation"); *Gottschalk v. Benson*, 409 U.S. 63, 72 (1972) ("the patent would wholly pre-empt the mathematical formula").

In broad terms, the preemption question is already addressed by code sections pertaining to anticipation, obviousness, and overbreadth. In the specific field of software, it is addressed by *Alappat* and its requirement that only *particular* software can render patentable a process performed by general purpose computers. By requiring inventors to claim with particularity the "how and why" of their software-driven inventions, other practitioners remain free to practice non-infringing methods of achieving the same result. Any underlying abstract ideas are not monopolized or removed from the public domain. At the same time, the patentee is rewarded with limited-term protection for contributing a particularly innovative means for achieving the result to the public knowledge.

The Federal Circuit may be wary of emerging technologies and unsure as to whether the USPTO can successfully adapt to avoid issuing patents for inventions that are anticipated, obvious, or overly broad. However, the BPAI decisions discussed *supra* illustrate that the USPTO is fully versed in *Alappat* guidance and equipped to bar those patents that do not claim the "hows and whys" with particularity sufficient to avoid preemption.

If the problem is a lag between the emergence of new technologies and the sources with which subject-matter experts may search prior art, then the solution is more resources for the subject-matter experts to shorten this lag. The Federal Circuit's chosen alternative, fabricating a new restrictive § 101 standard, treats the skin rash with amputation. Matters are made even worse when ambiguity and silence leave questions as to what exactly has been amputated.

CONCLUSION

Between the conflicting views of the BPAI and lower courts and the ambiguity of the new exclusive test from the Federal Circuit, the owners of tens if not hundreds of thousands of patents now sit in limbo regarding the legal status of their intellectual property. Businesses and individual inventors are clouded by uncertainty as to whether they would receive the protection needed to recoup investment in new innovation. Without the finality provided by the customary presumption of patent validity, opportunities for sale or licensing diminish as the limited window of each patent's protection dwindles. Legal practitioners have no way to advise clients when rigid-yet-ambiguous new § 101 rules place a question mark atop wide swaths of the patent landscape, and America's leadership in global innovation suffers as a result.

Neither the plain language of § 101 nor the cited Supreme Court precedent support the new, exclusive Federal Circuit standard. Further, other statutory tools are readily available to protect the policy

concerns of overly broad preemption. This Court should therefore rely on those tools and quiet the confusion and uncertainty imposed by the Federal Circuit's decision below by reversing that decision.

Respectfully submitted,

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