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The Never-ending In re Bilski Case

First came *Diamond v. Diehr*, 450 U.S. 175, 182,185 (1981), asserting that "anything under the sun that is made by man" is patentable, excluding "laws of nature, natural phenomena and abstract ideas." Next came *State Street Bank & Trust Co. v. Signature Financial Group*, 149 F.3d 1368 (Fed. Cir. 1988), introducing patentability of a business method - "it produces a useful, concrete and tangible result." *Id* at 1373.

However in 2008, a decision from *In Re Bilski*, overturned the State Street "useful, concrete-tangible" test and identified the "machine-or-transformation" test as the appropriate more restrictive test for when a method is patentable. The *Bilski* court upheld the Board of Patent Appeals and Interferences (BPAI) ruling that the applicants' invention did not meet the more restrictive test. However, this ruling consciously left several open-end questions regarding the patentability of certain business methods, software, and other technologies that may be seen simply as algorithms/mental steps.

Recently, inventors *Bilski* and *Warsaw* filed a petition for a writ of certiorari. The U.S. Supreme Court granted writ of certiorari to hear their appeal and the case is scheduled to be argued and decided during the Supreme Court's next term (October 2009). The petition seeks to overturn and/or clarify the decision issued in 2008.

A new justice lineup could be a key factor regard how this case will be decided. Sonia Sotomayor has been nominated for appointment to the U.S. Supreme Court to replace Justice David Souter, who recently retired. Ms. Sotomayor has intellectual property litigation experience, and is likely to be in place on the US Supreme Court in time to hear the *Bilski* appeal.

Whatever the Supreme Court decides will certainly influence what happens to pending method and software applications, as well as the validity of existing method and software patents and the future patentability of method and software inventions. Until the Court grants another ruling, it seems that the *Bilski* "machine-or-transformation" test will continue to be applied by the United State Patent and Trademark Office and BPAI for now, although the precise definitions of an "article" and of a "transformation" remain somewhat unclear and are therefore subjects for continual debate. The big question is, how long will this situation continue, and what will happen next? Stay tuned.

Ethical Duties and Codes Apply to Applicants as Well as Patent Practitioners

You may be aware that lawyers in general, and patent practitioners in particular, are required to adhere to strict duties and ethical codes. But did you realize that many of these duties and ethical codes also apply to inventors who are seeking patents, and to everyone else who is involved in the prosecution?

Section 1.56(a) of Title 37 of the Code of Federal Regulations (37 CFR § 1.56(a)) states in part that: "Each individual [emphasis added] associated with the filing and prosecution of a patent application has a



duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability as defined in this section."

These individuals include: "each inventor [emphasis added]; each attorney or agent who prepares or prosecutes the application; and every other person [emphasis added] who is substantively involved in the preparation or prosecution of the application and who is associated with the inventor, with the assignee or with anyone to whom there is an obligation to assign the application." 37 CFR § 1.56(c)

Section 11.18(b) of Title 37 of the Code of Federal Regulations (37 CFR § 11.18 (b)) informs all of these individuals that each document they present to the Patent and Trademark Office (PTO) must be personally signed by the attorney, apart from those documents required to be signed by the applicant. The signature on those documents represent that the attorney and the applicant are certifying to the PTO that all documents signed are truthful. Under § 11.18(b) (1), the submitted documents certify that any statements made therein are not "knowingly and willfully" coving up a material fact "by any trick, scheme or device," and is not "knowingly and willfully false, fictitious, or fraudulent." Furthermore, § 11.18(b) (2) a duty is imposed to make a "reasonable inquiry" that the documents are correct to the best of attorney's and applicant's knowledge and are not filed for any "improper purpose." The attorney and/or the applicant may be subject to "sanctions or actions" as deemed appropriate by the PTO if any violations of 37 CFR § 11.18 occur.