With Decision to Hear *Bilski*, Supreme Court Leaves Business Method Patents in Limbo

By granting today the petition for writ of certiorari in *Bilski v. Doll*, the U.S. Supreme Court has prolonged the period in which the Federal Circuit's "machine-or-transformation" test is subject to serious question. While the Federal Circuit's test for patent-eligible subject matter applies to all patent applications, any decision by the Supreme Court is likely to have its greatest impact in the areas of business methods, software, and life sciences.

The Federal Circuit has declared that the "machine-or-transformation" test is the only test for determining patent eligible subject matter under § 101 of the Patent Act. But three of the Supreme Court justices – Anthony Kennedy, Stephen Breyer, and John Paul Stevens – who will decide this case have expressed concerns regarding the eligibility of business methods for patent protection. It would seem that at least some of those concerns were not alleviated by the Federal Circuit's "machine-or-transformation" test.

The petition presented the following issue: whether a "process" must be tied to a particular machine or apparatus, or transform a particular article into a different state or thing (the "machine-or-transformation" test), to be eligible for patenting under 35 U.S.C. § 101, and whether the "machine-or-transformation" test for patent eligibility contradicts Congressional intent that patents protect "method[s] of doing business" in 35 U.S.C. § 273.

The most immediate effect of the Supreme Court's action today is to leave in doubt the status of the "machine-or-transformation" test, which has been applied to ongoing patent cases at the Federal Circuit, in the federal district courts, and at the Patent Office. If you have any questions about today's development, please contact your usual Ropes & Gray adviser.