

United States Court of Appeals
for the
Federal Circuit

In Re BERNARD L. BILSKI and RAND A. WARSAW,

Appellants.

APPEAL FROM THE UNITED STATES PATENT AND TRADEMARK OFFICE,
BOARD OF PATENT APPEALS AND INTERFERENCES

**BRIEF FOR *AMICI CURIAE* RESERVE MANAGEMENT
CORPORATION, PCT CAPITAL LLC, REARDEN CAPITAL
CORP. AND SALES OPTIMIZATION GROUP IN SUPPORT
OF MAINTAINING *STATE STREET* AND *AT&T***

ANTHONY F. LO CICERO
CHARLES R. MACEDO
JUNG S. HAHM
AMSTER, ROTHSTEIN
& EBENSTEIN LLP
90 Park Avenue
New York, New York 10016
(212) 336-8000

Counsel for Amici Curiae

Dated: April 4, 2008

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

IN RE BILSKI

No. 2007-1130

CERTIFICATE OF INTEREST

Counsel for *amici curiae*, Reserve Management Corporation, PCT Capital LLC, Rearden Capital Corp., and Sales Optimization Group, certifies the following:

1. The full names of every party or *amicus* represented by me are:

Reserve Management Corporation
PCT Capital LLC
Rearden Capital Corp.
Sales Optimization Group

2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is:


Not applicable

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or *amicus curiae* represented by me are: None

4. There is no such corporation as listed in paragraph 3. None.

5. The names of all law firms and the partners or associates that appeared for any of the parties or *amici* now represented by me in the trial court or agency or are expected to appear in this Court are:
Anthony F. Lo Cicero, Charles R. Macedo, and Jung S. Hahm of Amster, Rothstein & Ebenstein LLP.

AMSTER, ROTHSTEIN & EBENSTEIN LLP



Charles R. Macedo

Dated: April 4, 2008

TABLE OF CONTENTS

CERTIFICATE OF INTEREST	i
STATEMENT OF INTEREST OF AMICI CURIAE	1
SUMMARY OF ARGUMENT	2
ARGUMENT	4
I. THIS COURT IN <i>STATE STREET</i> AND <i>AT&T</i> PROPERLY FOLLOWED BINDING SUPREME COURT PRECEDENT IN BROADLY CONSTRUING THE SCOPE OF PATENT-ELIGIBLE SUBJECT MATTER UNDER 35 USC 101	4
II. BUSINESS METHOD PATENTS ARE AN IMPORTANT AND VALUABLE PART OF OUR ECONOMY AND SERVE A VALUABLE PURPOSE TO PROMOTE THE PROGRESS OF SCIENCE AND THE USEFUL ARTS	10
III. <i>AMICI CURIAE</i> RESPONSES TO QUESTIONS PRESENTED	15
1. Question 1: Whether claim 1 of the 08/833,892 patent application claims patent-eligible subject matter under 35 USC §101?.....	15
2. Question 2: What standard should govern in determining whether a process is patent-eligible subject matter under section 101?	16
3. Question 3: Whether the claimed subject matter is not patent-eligible because it constitutes an abstract idea or mental process; when does a claim that contains both mental and physical steps create patent-eligible subject matter?.....	22
4. Question 4: Whether 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 section 101? ...	25
5. Question 5: Whether it is appropriate to reconsider <u><i>State Street Bank & Trust Co. v. Signature Financial Group, Inc.</i></u> ,	

149 F.3d 1368 (Fed. Cir. 1998), and AT&T Corp. v. Excel Communications, Inc., 172 F.3d 1352 (Fed. Cir. 1999), in this case and, if so, whether those cases should be overruled in any respect?.....29

CONCLUSION..... 31

TABLE OF AUTHORITIES

CASES

<i>In re Alappat</i> , 33 F.3d 1526 (Fed. Cir. 1994)	8, 9, 15
<i>AT&T Corp. v. Excel Communications, Inc.</i> , 172 F.3d 1352 (Fed. Cir. 1999)	2, 4, 5, 7, 8, 9, 10, 16, 25, 29, 30
<i>Ex Parte Bilski</i> , Appeal No. 2002-2257 (BPAI Sept. 26, 2006)	20
<i>In re Bilski</i> , No. 2007-1130, 2008 US App. LEXIS 3246 (Fed. Cir. Feb. 15, 2008)	15
<i>Ex parte Bingham</i> , Appeal No. 2007-4014 (BPAI Feb. 25, 2008)	19
<i>Bob Jones Univ. v. United States</i> , 461 US 574 (1983)	17
<i>Brenner v. Manson</i> , 383 US 519 (1966)	21
<i>Cochrane v. Deener</i> , 94 US 780 (1877)	8
<i>In re Comiskey</i> , 499 F.3d 1365 (Fed. Cir. 2007)	18, 19, 24, 29
<i>Corning v. Burden</i> , 56 US 252 (1854)	7, 8, 9
<i>Diamond v. Chakrabarty</i> , 447 US 303 (1980)	5, 7, 10

<i>Diamond v. Diehr</i> , 450 US 175 (1981)	2, 5, 6, 7, 8, 9, 19, 21, 23, 24, 25, 29, 30, 31
<i>Ex parte Donahue</i> , Appeal No. 2008-0641 (BPAI Jan. 30, 2008).....	19
<i>Expanded Metal Co. v. Bradford</i> , 214 US 366 (1909)	25, 26, 27, 28
<i>Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.</i> , 535 US 722 (2002)	10
<i>Ex parte Gosby</i> , Appeal No. 2007-3941 (BPAI Sept. 28, 2007)(non-precedential)	19
<i>Gottschalk v. Benson</i> , 409 US 63 (1972)	6, 7, 8, 9, 27
<i>Graham v. John Deere Co.</i> , 383 US 1 (1966)	4
<i>J.E.M. AG Supply v. Pioneer Hi-Bred Int’l</i> , 534 US 124 (2001)	5
<i>John R. Sand & Gravel v. United States</i> , 128 S.Ct. 750 (2008)	17
<i>Lab Corp. of Am. Holdings v Metabolite Labs., Inc.</i> , 126 S.Ct. 2921 (2006)	9
<i>Lowell v. Lewis</i> , 15 Fed. Cas. 1018 (No. 8658) (C.D.D. Mass. 1817)	21
<i>Ex parte Lundgren</i> , 76 USPQ2d 1385 (BPAI 2005)	20
<i>Moskal v. United States</i> , 498 US 103 (1990)	19

<i>Mountain States Tel. & Tel. v. Pueblo of Santa Ana</i> , 472 US 237 (1985)	19
<i>Parker v. Flook</i> , 437 US 584 (1978)	6, 7, 9
<i>Patterson v. McLean Credit Union</i> , 491 US 164 (1989)	17
<i>Ex parte Pestoni</i> , Appeal No. 2007-0771 (BPAI Nov. 28, 2007) (non-precedential).....	19
<i>Shepard v. United States</i> , 544 US 13 (2005)	17
<i>State St. Bank & Trust Co. v. Signature Fin. Group, Inc.</i> , 149 F.3d 1368 (Fed. Cir. 1998) ...	2, 4, 5, 6, 9, 10, 12, 13, 16, 17, 21, 29, 30
<i>TRW Inc. v. Andrews</i> , 534 US 19 (2001)	18
<i>Tilghman v. Proctor</i> , 102 US 707 (1881)	19

U.S. CONSTITUTION

US Const. art. I, § 8, cl. 8	3, 4, 10, 11
------------------------------------	--------------

FEDERAL STATUTES

35 USC 100(b)	16, 18, 29
35 USC 101	3, 4, 5, 8, 9, 15, 16, 23, 24, 25, 30, 31
35 USC 102	2, 6
35 USC 103	2, 6
35 USC 112	2, 6
35 USC 273	12, 16, 30

LEGISLATIVE HISTORY

Act of Feb. 21, 1793, ch. 11, § 1, 1 Stat. 318.....	4
145 Cong. Rec. H6942 (daily ed. Aug. 3, 1999)	16
H.R. 1908, 110th Cong., 1st Sess.	17
H.R. 2365, 110th Cong., 1st Sess.	17
H.R. Rep. No. 82-1923 (1952)	5
S. 861, 110th Cong., 1st Sess.	17
S. 2369, 110th Cong., 1st Sess.	17
S. Rep. No. 82-1979 (1952)	5

LAW REVIEW ARTICLES

- Julie E. Cohen & Mark A. Lemley, *Patent Scope and Innovation in the Software Industry*, 89 Cal. L. Rev. 1, 13 (2001) 12
- Giles S. Rich, *The Principles of Patentability*, 42 J. Pat. Off. Soc'y 75, 83 (1960) 12
- John A. Squires and Thomas S. Biemer, *Patent Law 101: Does A Grudging Lundgren Panel Decision Mean That The USPTO Is Finally Getting The Statutory Subject Matter Question Right?*, 46 IDEA 561, 565 (2006) 14, 20

INTERNET RESOURCES

- January 31, 2008 Letter from Patti McClanahan, Managing Director, SIFMA, to Internal Revenue Service, Re: Comments on proposed regulations concerning the reporting of patented transactions (available at <http://www.regulations.gov/fdmspublic/component/main?main=DocketDetail&d=IRS-2007-0112>) 15
- February 1, 2006 Letter from Arlen Specter, to Hon. Henry Paulson, Secretary of Treasury, Department of Treasury (“Specter Letter”) (available at <http://www.regulations.gov/fdmspublic/component/main?main=DocketDetail&d=IRS-2007-0112>) 6, 11
- A USPTO White Paper (ver. 1.43)(available at <http://www.uspto.gov/web/menu/busmethp/whitepaper.pdf>) 28

PATENTS

US Patent No. 389,818, issued Sept. 18, 1888, entitled “Complemental Accident Insurance Policy”	21
US Reissue Patent No. RE11,270, issued July 21, 1892, entitled “Means For Insuring Travelers Against Loss By Accident”	21
US Patent No. 883,380, issued Mar 31, 1908, entitled “Check”	21
US Patent No. 918,280, issued April 1909, entitled “Fractional- Insurance Policy”	22
US Patent No. 959,879, issued May 31, 1910, entitled “Railway Ticket”	22
US Patent No. 1,045,331, issued Nov 26, 1912, entitled “Cigar Container”	22
US Patent No. 1,150,708, issued Aug 17, 1915, entitled “Method of Marketing Trees”	22
US Patent No. 1,254,870, issued January 29, 1918, entitled “Means Used In Accounting”	22
US Patent No. 1,419,739, issued June 1922, entitled “Marketing Bag”	22

