

2007-1130
(Serial No. 08/833,892)

**IN THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

IN RE BERNAND L. BILSKI and RAND A. WARSAW
Appellants.

Appeal From The United States Patent And Trademark Office
Board of Patent Appeals And Interferences

BRIEF FOR *AMICUS CURIAE*
GREGORY AHARONIAN
IN SUPPORT OF APPELLANTS

Dated: April 7, 2008

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PRO SE AMICUS CURIAE

CERTIFICATE OF INTEREST

Pro se, Amicus Curiae, Gregory Aharonian, certifies the following:

1. The full name of every party or amicus represented by me:

Not applicable.

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

Not applicable.

3. All parent corporations and any publicly held companies that own 10 percent or more of the common stock of the party or amicus curiae represented by me:

Not applicable.

4. The names of all law firms and the partners and associates that have appeared for the party in the lower tribunal or are expected to appear for the party in this court:

None.

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STATEMENT OF INTEREST OF *AMICUS CURIAE*

Amicus, Mr. Gregory Aharonian, is a professional patent analyst and an inventor, and is keenly concerned with the ongoing developments in patent law jurisprudence, especially statutory interpretation. Amicus is especially interested in the outcome of this appeal, respecting the proper construction of the term "process" in 35 U.S.C. § 101. Amicus has written extensively about the subject; is co-author of the book "Patenting Art and Entertainment", and is the author of the widely read "PATNEWS" newsletter. Amicus is located in San Francisco, California.

ISSUES PRESENTED

The Court's Order of February 15, 2008 set forth a number of questions to be addressed by the parties to this Appeal in respective supplemental briefs and by any interested parties in respective amicus briefs.

The present brief addresses Question No. 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?"

For the reasons set forth below, Amicus respectfully submits that under a correct statutory construction of section 101, a method and process are patentable subject matter even if they do **not** result in a physical transformation of an article

and are **not** tied to a machine, in the absence of Congressional intent to the contrary.

ARGUMENT

I. INTRODUCTION

The United States Patent and Trademark Office (“USPTO”) urges this Court to narrowly interpret the Supreme Court’s decisions in *Diamond v. Diehr* decision, 450 U.S. 175 (1981) and *Parker v. Flook*, 437 U.S. 584 (1978) as limiting the scope of “processes” under 35 U.S.C. § 101, to only those processes that are tied to a particular apparatus or which operate to change materials to a “different state or thing”, quoting *Cochrane v. Deener*, 94 U.S. 780, 787-788 (1876).

But neither *Diehr* nor *Flook* ever held that the definition in *Cochrane* was an exclusive test for a “process” under section 101. 35 U.S.C. § 100(b) broadly defines the term “process” to include “method”, “new use” and “art”, terms that do not comport with the limited interpretation of “process” of the *Cochrane* court. This Court should reaffirm the standard it articulated in *State Street Bank & Trust Co. v. Signature Fin. Group, Inc.* 149 F.3d 1368, 1373, holding that a process is patentable subject matter if the process yields a “*useful concrete and tangible result*”.

II. Cochrane’s Definition of “Process” does not Govern the Meaning of a Section 101 “Process”; the Statute Itself, in Section 100(b), Broadly Defines the Term

When Congress included the term “process” as one of the four categories of subject matter eligible for patent protection (*See* 35 U.S.C. § 101), it went to pains to broadly define the term. Acting as its own lexicographer, the statute, in 35 U.S.C. § 100(b) states: “The term ‘process’ means process, art, or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material.” Congress was very clear that “process” as a category of patentable subject matter is not limited to its ordinary dictionary meaning, but rather is broadly defined to embrace all the sub-categories listed in section 100(b).

Totally ignoring the broad definition of “process” in section 100(b), the USPTO urges this Court to limit the scope of processes eligible for patent protection to the Supreme Court’s pre-lightbulb era in dictum interpretation of “process” in *Cochrane v. Deener*, 94 U.S. 780 (1876). In *Cochrane*, the Supreme Court, commenting on the differences between “processes” and “machines” as patentable subject matter, stated that: “[a] process is a mode of treatment of certain materials to produce a given result. It is an act, or a series of acts, performed upon the subject matter to be transformed and reduced to a different state or thing.” *Id.* 787-88. In 1952, Congress could have added such dictum to section 100(b), but did not.

The USPTO argues that *Cochrane*'s definition of "process" controls the definition of "process" in section 101, and urges this Court to restrict patentable processes to only processes that transform or reduce subject matter to a different state or thing or to processes that are tied to a particular apparatus. USPTO Supplemental Brief at 6-7.

But the USPTO's argument that *Cochrane* controls the term "process" in Section 101 is fundamentally wrong. The Supreme Court in *Cochrane* never intended to define "process" as a statutory term. Fundamental statutory terms are constitutionally more appropriately defined by Congress. In 1876, when the *Cochrane* decision was rendered, the term "process" was not in the statute. *See Diamond v. Diehr*, 450 U.S. 175 (1981).

The Patent Act of 1793 defined patentable subject matter as "any new and useful art, machine, manufacture or composition of matter, or any new or useful improvement [thereof]." *Act of Feb. 21, 1793*, ch. 11, 1, 1 Stat. 318. The term "process" was not listed as a separate category of statutory subject matter. Nevertheless, a number of early Supreme Court cases held that processes were patentable subject matter, because they were embraced within the broad scope of the statutory phrase "useful art". The term "art" was originally intended as a catchall phrase to classify as patentable subject matter anything that could not be definitely included under either a machine, manufacture, or composition of matter,

but which was still worthy of patent protection. The term “art” gave courts an opportunity to hold that “processes” was within the broad scope of that term. Consistent with this view, a “method” and a “new use” of an old invention were also held to come implicitly within the scope of the term “art”. *See generally Robinson on Patents*, § 164 (1890); *Corning v. Burden*, 56 U.S. 252, 267 (1854) (“A process, *eo nomine*, is not made the subject of a patent in our act of Congress. It is included under the general term 'useful art.'”) (emphasis added); *Diamond v. Diehr*, 450 U.S. 175, 182 (1981) (“[A] process has historically enjoyed patent protection because it was considered a form of "art" as that term was used in the 1793 Act.”).

With the major revisions to the patent statute under the Patent Act of 1952, the term “art” was replaced with the term “process”. However, by replacing the term “art” with “process”, Congress did not narrow the scope of statutory subject matter. Rather, the *catchall* term “art” was replaced with the *catchall* term “process”, but the latter term was unequivocally defined in section 100(b) to include “method”, “new use” of old invention, and “art”.¹ No other language from *Cochrane* was added to the statute.

¹ *See* H. R. No. 1923, 82nd Cong., 2d Sess. 3, 9 (1952) (“The definition of “process” has been added in section 100 to make it clear that “process or method” is meant, and also to clarify the present law of as to the patentability of certain

Whatever dictionary, treatise, or other reference guided the *Cochrane* court in defining the term “process”, it clearly only intended to define “process” in the context of its ordinary meaning 132 years ago, as one of several sub-categories embraced by the statutory phrase “useful art”, as it applied to the facts of that specific case. *Cochrane*’s limiting interpretation of processes, as requiring a “transformation” of “subject matter”, was never intended to define, and is indeed entirely inapplicable to, the terms “method”, “new use” and the general broad term “art”. Hence, with the term “process” being the current catchall phrase in section 101, and being statutorily defined to include “method” “new use” and “art”, it is evidently clear that *Cochrane* is an inapplicable precedent for restricting the meaning of this *catchall* statutory term.

The substitution of “process” for “art” under the 1952 Act immediately raised concerns about future confusion and debate as to the proper scope of the term. In a hearing held on June 13, 1951, 82nd Cong., H.R. 3760, before the House of Representatives, Subcommittee No. 3, of the Committee on the Judiciary, in a statement by George E. Folk, Adviser to the Committee on Patents of the National Association of Manufacturers, the following exchange took place²:

types of processes or methods as to which some insubstantial doubts have been expressed”).

² The transcript of the hearing is available at:

http://ipmall.info/hosted_resources/lipa/patents/patentact/13_jun_1.pdf

Mr. Folk: There is only one change I would like to especially call your attention to, and that is in the sections 100 and 101, changing the word "art" to "process". I think if that is changed in the patent law, industry will live to regret it. In the first place the term "art" and "process" are not synonymous, and especially with the definition which follows there is likelihood of getting a false impression of what a new process consists of. I hope it will be given serious consideration, but as I said, we do not want to jeopardize the passage of the bill.

Mr. Rogers: I think the words "useful process" and "art" are not synonymous in any particular and have two distinct meanings.

Mr. Folk: Yes, some of the courts have held quite properly, as Mr. Federico pointed out, that "process" has been held by the court to come under the term "art", in new machine and composition of matter. That is true, but there are arts which are not processes and I am afraid that there may be something 'cut' out of the present statute, especially when it comes to the question of what new consists of. You will find that definition includes new use, process, machine manufacture, composition of matter. Now, composition of matter under new 'use' is not a process necessarily. It is simply a new use, and if it is not obvious to one skilled in the art, and otherwise complies with the requirements of the title, there is no reason why it should be limited in the way. I think the definition does limit it.³

The USPTO and others want to redraft the 1952 Patent Reform Act and restrict the meaning of the term “process”, despite the fact that the term is broadly defined in section 100(b) to include “method” and “new use”. The USPTO’s desired meaning, if adopted by this Court, would thus undo what Congress

³ The version of section 100(b) that was in circulation at time of Mr. Folk’s testimony defined “process” to include “method” and “new use” of old invention – but did not include the term “art”. It can be postulated that Congress added the term “art” to later versions of the bill, to circularly retain the *status quo*, whereby the inclusion of the general term “art” would ensure that nothing is “cut out” as feared by Mr. Folk.

expressly intended in the 1952 Act. Such a bald-faced usurpation of Congress' legislative power would immediately render worthless, for example, thousands of issued patents for new useful methods valuable inventions in fields such as education and commercial entertainment (e.g., patents assigned to the Disney Corporation), where it is clear that an invention has been claimed with an enabling description, but not as clear as to which labels should be applied to the invention: "process", "art", "method", etc.

It is beyond the scope of this brief to engage in a lengthy analysis and interpretation of "method" and "new use" vis-à-vis "process". Such analysis would require one to cite various dictionaries, each with its many definitions, and then choosing the most appropriate definitions applicable to section 100(b). Yet it is clear, even through a rudimentary analysis and review of such dictionaries, that *Cochrane's* definition, requiring "transformation of subject matter" – a phrase that Congress has not added to the statute – has no controlling relation to the terms "method" and "new use". The terms "method" and "new use" should be interpreted with their ordinary meaning. *Diehr, Id.*, 186 ("Unless otherwise defined, 'words will be interpreted as taking their ordinary, contemporary, common meaning'", quoting *Perrin v. United States*, 444 U.S. 37, 42 (1979)).

This Court should be cognizant that the issue before it not only concerns "processes". This Court should also treat in parallel the statutory terms "method",

“new use” and “art”, as these are statutorily prescribed in section 100(b) as categories of patentable subject matter – no less than “process”.

III. *Cochrane* was Never Adopted by the Supreme Court as an Exclusive Test for a Section 101 Process

Contrary to the USPTO’s assertions, the Supreme Court has never held section 101 to codify the *Cochrane* court’s definition of the term “process” (USPTO Supplemental Brief at 7-8); the opposite is in fact true. On at least two occasions, when quoting *Cochrane* in the context of determining whether computer programs are patentable subject matter, the Supreme Court felt compelled to clarify that *Cochrane* merely defines *one form* of processes as patentable subject matter; but does not, however, establish the outer boundaries of a section 101 “process”, an establishment that is the responsibility of Congress.

In *Gottschalk v. Benson*, 409 U.S. 63 (1972), the Supreme Court engaged in a lengthy discussion of what constituted patent eligible subject matter under section 101. After quoting passages of *Cochrane* that define the term “process”, the court in *Benson* noted the following:

“It is argued that a process patent must either be tied to a particular machine or apparatus or must operate to change articles or materials to a ‘different state or thing.’ We do not hold that no process patent could ever qualify if it did not meet the requirements of our prior precedents.” (emphasis added)

Id., 71.

In *Parker v. Flook*, 437 U.S. 584 (1978), the Supreme Court again expressly rejected *Cochrane*, as the exclusive test for a section 101 “process”. The patent at issue in *Flook* was for a “Method for Updating Alarm Limits”. The novelty aspect of the patent related to a complex mathematical algorithm. The court held the invention to be unpatentable because mathematical formulas are an exception to statutory subject matter (“if a claim is directed essentially to a method of calculating, using a mathematical formula, even if the solution is for a specific purpose, the claimed method is nonstatutory.”) (quoting *In re Richman*, 563 F.2d 1026, 1030). *Id.* at 595.

However, importantly, before finding the claims in *Flook* unpatentable under the “mathematical algorithm exception”, the court indicated that the claims otherwise *did* in fact fall within the scope of “‘process’ in the ordinary sense of the word.” *Id.* at 588. Not finding it appropriate to reject the claims for failing the “transformation” test, the court instead resorted to rejecting the claims under the “mathematical algorithm exception”, noting that “it is like a law of nature” and is subject to “the established rule that a law of nature cannot be the subject of a patent”. *Id.* at 589. The court went farther by clarifying in a footnote why it did not reject the claims at issue under the *Cochrane* test. It stated the following:

“The statutory definition of ‘process’ is broad”. An argument can be made, however, that this Court has only recognized a process as within the statutory definition when it either was tied to a particular apparatus or operated to change materials to a "different state or

thing." 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." (citations omitted).

Id. at n. 9. Just as in *Benson*, the court in *Flook* did not view *Cochrane* as the outer limits for processes under section 101.

Time and again the Supreme Court has declined to limit the scope of statutory subject matter set forth in section 101. See *Diehr*, 450 U.S. at 182 (“courts should not read into the patent laws limitation and conditions that Congress which the legislature has not expressed”); *J.E.M. AG Supply, Inc. v. Pioneer Hi-Bred International, Inc.*, 534 U.S. 124, 143-144 (2001) (“[W]e decline to narrow the reach of § 101 where Congress has given us no indication that it intends this result.”) The USPTO should not be allowed to do what the Supreme Court refuses to do.

CONCLUSION

Amicus urges the Court not to disturb the settled expectations that the broad language employed by Congress in 35 U.S.C. § 101 embraces a broad scope of inventive processes and methods, regardless of whether such processes or methods result in a physical transformation of an article or are tied to a machine. The Court should reaffirm the well-settled holding that a process or method is patentable subject matter if it yields a “useful concrete and tangible result”.

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