Dear Sir or Madam,

I wish to highlight three aspects of the Supreme Court's Bilski decision which should affect USPTO examination guidance.

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1. Limiting tests for "processes/methods" apply also to "machines"
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Regarding State Street, 149 F. 3d, at 1373, the majority opinion limited itself to saying that nothing in today's opinion should be read as endorsing interpretations of §101 that the Court of Appeals for the Federal Circuit has used in the past. See, e.g., State Street, 149 F. 3d, at 1373;

However, a five-judge majority, found by combining the two concurring opinions, explicitly rejects State Street's Useful-Concrete-And-Tangible-Result test.

Justice Stevens (concurring), joined by Justices Ginsburg, Breyer, and Sotomayor:

it would be a grave mistake to assume that anything with a ‘useful, concrete and tangible result,’ may be patented.

And Justice Breyer (concurring), joined for this excerpt by Justice Scalia:

if taken literally, the statement [that anything which produces a useful, concrete, and tangible result, is patentable] would cover instances where this court has held the contrary.
Rejection of the State Street test is important because State Street was a "machine" and Bilski was a "process". Further, the court's opinion, rather than focussing on the definition of "process", instead focusses on the general exclusion of "abstract ideas" - an exclusion which applies to both "processes" and "machines". The limiting tests upheld or reaffirmed in the court's opinion apply thus to both.

Moving an application from one category to the other does not allow an applicant to avoid any tests.

In the Guidance document, it seems that "machine" claims should be subject to the limiting considerations described in the section "Factors To Be Considered in an Abstract Idea Determination of a Method Claim".

2. Machines must be particular to past the machine-or-transformation test

Following on from that first point, the clarification that the "machine-or-transformation" test applies equally to "machine" patents is a confirmation that the inclusion of a machine in the application is not sufficient to pass the "machine-or-transformation" test.

The court has thus added weight to the "particular" in the test:

it is tied to a particular machine or apparatus

Since "machine" patents by definition include a machine, A minimal interpretation of "particular" would lead to giving no effect to the decision of the court.

This significantly raises the bar for passing this test through inclusion of a machine in an application. A data storage device, or computer medium, or a memory means would not suffice to pass this test. This represents a significant reduction in the scope for granting software patents and should be explained in the Guidance document.

This is also in line with the decision reaffirming Benson, which said:

The mathematical formula involved here has no substantial practical application except in connection with a digital computer, which [409 U.S. 63, 72] means that if the judgment below is affirmed, the patent would wholly pre-empt the mathematical formula and in practical effect would be a patent on
the algorithm itself.

In light of this, and of the need for a "particular" machine, it seems that patents on file formats or data storage methods have been confirmed as not being patent-eligible.

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3. Concepts which can be reduced to math are algorithms
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From the Bilski decision:

Claims 1 and 4 explain the basic concept of hedging and reduce that concept to a mathematical formula. This is an unpatentable abstract idea, just like the algorithms at issue in Benson and Flook.

The key issue here is that the court did not just reject Claim #4, which is a mathematical formula, but it also rejected Claims #1 to #3, noting that they are "concepts" and saying that they are "just like [...] algorithms". The exclusion of algorithms is thus clarified by the Bilski ruling as requiring a broad interpretation - which encompasses "concepts".

The broadening of this exclusion applies equally to "process" claims as to "machine" claims.

Yours sincerely,
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