MINUTES OF THE MEETING OF THE PAULINE NEWMAN IP AMERICAN INN OF COURT ON WEDNESDAY, FEBRUARY 15, 2012

Before the meeting, there was reception beginning at 6:00 p.m. in the area outside the Auditorium in the lower level of the Atrium of the Madison Building of the U.S. Patent & Trademark Office. The meeting convened at 7:00 p.m. in the Auditorium. President Al Tramposch announced that the Inn has a new website at www.newmaninn.org. He also announced that the terms of the officers of the Inn will be extended to two years, but that there will be two vacanies and new positions may be created, so anyone who is interested in serving is invited to contact the board.

Judge Pauline Newman was present and spoke at the meeting. She emphasized the importance of the national interest in the patent system.

Pupilage Team 1 presented. The topic was Bilsky and Section 101 of the patent statute. The panelists were Zheng Wang, Okafor Chineny and Richard Zhu, George Mason Law School students, Jeffrey Fredman, USPTO BPAI Judge, and Robert A. Rowan of Nixon & Vanduhye.

Robert Rowan introduced the presentation and the panelists. Zheng Wang first discussed *Classen Immunotherapies v. Biogen*, where the Federal Circuit held that a method of immunizing was patent eligible under §101 because of an immunizing step. But the court held that one claim was not patent eligible because it did not include performing immunizations. The court emphasized that §101 is a threshold inquiry, which it distinguished from substantive conditions of patentability. The mere presense of a mental step is not fatal to patent eligibility. Each case must be decided on its own facts. Simply collecting and comparing data, without applying the data in a step, may fail to traverse the §101 filter. But application of a law of nature or a mathematical formula, even to a know structure or process, may well be deserving of patent protection. *Prometheus v. Mayo* upheld the patentability of a method for optimizing therapeutic efficacy of treatment for Crohn's disease. Transformation of human body components met the machine or transformation test.

Okafor Chineny first discused the *Cybersource* case, which held unpatentable a method for detecting fraud in credit card transactions. Unpatentable mental processes for collecting data and weighing values are not made patentable by references to Internet commerce. Appending a nonspecific computer readable media having program instructions to an otherwise non-statutory process claim, is insufficient to make it statutory. In *Ultramerical*, the Federal Circuit held that a method for distributing copyrighted products over the Internet was patentable under §101. In *Research Corporation v. Microsoft*, the Federal Circuit held that there was, "Nothing abstract in the subject matter of the processes claimed for rendering a halftone image of a digital image by comparing, *pixel by pixel*, the digital image against a blue noise mark." The invention presents *functional and palpable applications* of computer technology which address a need for halftone rendering of gray scale images using a digital data processor. The fact that some claims require a "high contrast film", "a film printer", "a memory", and "printer and display devices *also confirms* that the invention is not abstract. *Fuzzy Sharp v. 3DLabs* dealt with the patentability of a method for simplifying visibility computations in 3-D computer graphics. To satisfy the

machine or transformation test, the machine must impose meaningful limits on the claim's scope. As the computer imposes only two limitations, to compute and to store data, it does not confine the preemptive effects of the claim, which therefor flunks the machine or transformation test.

Richard Zhu discussed the Supreme Court's decision in *Bilski.* The machine or transformation test not the sole test of patent eligibility. Laws of nature, physical phenomena, and abstract ideas are not patentable. He discussed the interelationship of *Fuzzy Sharpe, Research, Ultramerical, Cybersource*, *Biogen* and *Prometheus*. To tie a process to a machine, make sure that the machine expressly or inherently performs specific core steps of the process. To tie an abstact idea to a specific field or useful end, make sure: that the claim recites an application to specific devices, not just a general purpose computer; or that it ties a physical step to mental processes; or that the process inherently involves transformation.

Questions from the audience were then taken, which were answered by the panelists and Judge Newman. Judge Newman discussed the history of the increase in court acceptance of software patents. She said that this is an area of the law that is so much in flux that it is impossible to tell how the next case will come out. She said that she thought that *Bilski* was decided the way that it was because the invention was old. The meeting was adjourned at 8:15 p.m.

The following photograph of Judge Pauline Newman and the panelists was taken at the meeting by Bill Stoffel:

Respectfully submitted,

Stephen Christopher Swift
Secretary-Treasurer