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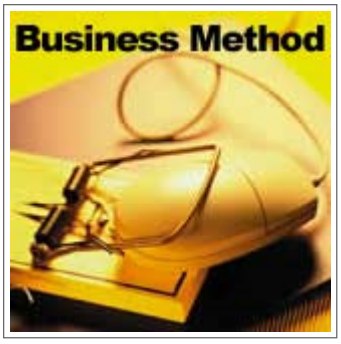

S.23 "Covered Business Method Patents"

Thu, Mar 24, 2011

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Exclusion of "technological inventions"; Interlocutory Appeals to the Federal Circuit

Under the 95-5 Senate-passed S.23 America Invents Act one of the 26 sections deals with "covered business method patents". *See § 18, Transitional Program For Covered Business-Method Patents.* If enacted into law, § 18 would create a special class of patents – "covered business method patents" – which would be subject to special post-grant review.

Exclusion of "technological inventions": What is a "covered business method patent"? S.23 says that "[f]or purposes of this section, the term 'covered business method patent' means a patent that claims a method or corresponding apparatus for performing data processing operations utilized in the practice, administration, or management of a financial product or service, except that the term shall not include patents for technological inventions."

PTO Definition of "patents for technological inventions": But, what is the scope of the term "patents for technological inventions"? Neither the Board nor the Federal Circuit will determine the answer to this question. Rather, "[s]olely for the purpose of implementing … this subsection, the Director shall prescribe regulations for determining whether a patent is for a technological invention."

Interlocutory Appeal to the Federal Circuit as a Matter of Right: An accused infringer in a district court action may ask for a stay pending completion of the post-grant review under four statutory standards for a stay. The Federal Circuit has no discretion to deny consideration of a request for a stay or apply normal standards for staying litigation. Rather, the four special statutory standards must be applied and "[a] party may take an immediate interlocutory appeal from a district court's decision…. The … Federal Circuit shall review the district court's decision … and such review may be de novo."