

No. 18-124

IN THE
Supreme Court of the United States

TWO-WAY MEDIA LTD,
Petitioner,

v.

COMCAST CABLE COMMUNICATIONS, LLC;
COMCAST INTERACTIVE MEDIA LLC;
VERIZON SERVICES CORP.; VERIZON ONLINE LLC,
Respondents.

**On Petition for Writ of Certiorari to the
United States Court of Appeals
for the Federal Circuit**

**BRIEF IN OPPOSITION TO
PETITION FOR A WRIT OF CERTIORARI**

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CORPORATE DISCLOSURE STATEMENTS

RESPONDENTS COMCAST CABLE COMMUNICATIONS, LLC AND COMCAST INTERACTIVE MEDIA LLC

Comcast Cable Communications, LLC and Comcast Interactive Media, LLC are wholly-owned indirect subsidiaries of Comcast Corporation. No publicly held company owns 10% or more of Comcast Corporation's stock.

RESPONDENTS VERIZON SERVICES CORPORATION AND VERIZON ONLINE LLC

Verizon Services Corporation and Verizon Online LLC are indirectly and wholly-owned by Verizon Communications Inc. No entity owns 10% or more of Verizon Communications Inc.'s stock.

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INTRODUCTION

Petitioner Two-Way Media (“TWM” or “Petitioner”) seeks certiorari based on purported conflicts within the Court of Appeals for the Federal Circuit that do not exist. Petitioner posits that the test of patent eligibility under 35 U.S.C. § 101 is a doctrine “in complete disarray.” But it can only support that assertion by mischaracterizing numerous decisions—including the decision below—as hewing to bright-line rules that are nowhere found in the decisions themselves.

In this case, the court of appeals applied the settled analysis set forth in *Alice Corp. Pty. Ltd. v. CLS Bank Intern.*, 134 S. Ct. 2347 (2014) and related decisions to hold that certain claims in Petitioner’s patents are directed to abstract ideas and are therefore patent-ineligible under 35 U.S.C. § 101. Petitioner now challenges the court of appeals’ case-specific conclusions on two grounds, neither of which is actually implicated by the court’s decision.

First, Petitioner asserts that the court’s Section 101 analysis considered only the patents’ claims themselves, ignoring technological features described in the patents’ specification. This is not so. The lower courts applied this Court’s instruction in *Alice* that it is the claims, not the patent specification, that must be judged non-abstract. In so doing, however, both the district court and the court of appeals analyzed the eligibility of the claims *in light of* the teachings in the patent specification. Of most importance (although barely mentioned in the petition), Petitioner was given the opportunity to construe its claims in the most favorable light to salvage eligibility. It did so by incorporating features from the specification into its claim constructions. The courts below then used Petitioner’s own claim constructions as the starting

point for the *Alice* analysis. Although Petitioner tried to impart concrete elements to its abstract claims through its claim constructions, even those constructions did not transform the claims into recitations of the purportedly innovative “network architecture” of the specification.

In short, Petitioner’s argument in favor of its first question presented rests on a strawman: that the court of appeals is guilty of refusing to consider the patent specification when evaluating the eligibility of the claims. In fact, the court below carefully reviewed the specification and even accepted the Petitioner’s own characterization of its claims, which included features from the specification. Similarly, the other decisions that Petitioner characterizes as demonstrating conflicting views about the role of the specification in the eligibility analysis simply reached case-specific conclusions about whether the claims reflected the elements that the patent owner asserted were concrete and innovative. There is no conflict within the Federal Circuit warranting this Court’s review. And even if there were differing views among judges on this issue, this case is not the vehicle for resolving them because Petitioner, not the court, decided what elements of the specification to incorporate into the governing claim interpretations.

Second, Petitioner argues that the court of appeals incorrectly treated the Section 101 inquiry as a pure question of law. But the court did no such thing, and there is no disagreement within the Federal Circuit on the question. This Court and the Federal Circuit have consistently recognized that the legal question of whether a claim is patent-eligible may involve subsidiary questions of fact concerning whether assertedly concrete elements of the claims are non-routine and

unconventional. In this case, however, the court of appeals had no occasion to resolve any disputes of fact in affirming the district court's order holding the claims invalid under Section 101. The court of appeals, like the district court, did not reach any factual questions because it concluded that the purported "innovative contribution" that TWM touted as saving patentability was not reflected in the claims, even as construed by TWM.

The petition should be denied.

STATEMENT OF THE CASE

The courts below in this case applied this Court's guidance in *Alice* and related precedent to hold that the asserted claims of four patents in the field of audio/visual streaming over a network like the internet are not patent-eligible. Pet. App. 1a–2a.

1. Section 101 of Title 35 of the United States Code provides that an inventor may obtain a patent on "any new and useful process, machine, manufacture, or composition of matter." 35 U.S.C. § 101. The Court has "long held that this provision contains an important implicit exception: laws of nature, natural phenomena and abstract ideas are not patentable." *Alice*, 134 S. Ct. at 2354. "We have described the concern that drives this exclusionary principle as one of pre-emption." *Id.* Patent claims, which define the scope of exclusivity granted to the patent holder, should not be available in these excluded areas to ensure that "patent law not inhibit further discovery by improperly tying up the future use of these building blocks of human ingenuity." *Id.* (quoting *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 132 S. Ct. 1289, 1301 (2012)). Thus, the Section

101 analysis focuses on the asserted claims, as summarized in *Alice* as a two-step framework:

First, we determine whether the **claims** at issue are directed to one of those patent-ineligible concepts. If so, we then ask, what else is there in the **claims** before us? To answer that question, we consider the **elements of each claim** both individually and as an ordered combination to determine whether the additional elements transform the nature of the claim into a patent-eligible application.

Id. at 2355 (emphasis added) (citations and quotations omitted). Those additional elements are also known as an “‘inventive concept’—*i.e.*, an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Id.* (quoting *Mayo*, 132 S. Ct. at 1294).

2. Shortly after this Court issued its opinion in *Alice*, TWM sued Respondents for patent infringement in the District of Delaware. Pet. App. 20a. TWM’s asserted patents derived from a patent application filed in 1996 by Netcast Communications Corp., which had sought to provide radio services over the internet. Pet. 9. TWM has asserted Netcast’s patent portfolio against a range of companies that stream information over the internet—including America Online (sued in 2004),¹ AT&T (sued in 2009),² and, eventually, Comcast, Verizon, and NBC (sued in 2014).³

¹ Case No. 2:04-cv-00089 (S.D. Tex.).

² Case No. 5:09-cv-476 (W.D. Tex.).

³ Pet. App. 20a.

Based on this Court’s opinion in *Alice*, Respondents moved for judgement on the pleadings that the asserted claims of the patents-in-suit claimed abstract ideas and were thus invalid under Section 101. Pet. App. 20a. Respondents so moved because the asserted claims recited broad, generic concepts concerning information delivery over a network. Although the patents’ specification described some particular elements and features, the claims did not reflect what TWM asserts is an “innovative computer-network architecture” that was commercially implemented by its predecessor Netcast. *See* Pet. 9.

In response to Respondents’ patent eligibility challenge, TWM argued that the claims must first be construed. Claim construction is a question of law, which calls upon courts to interpret the claims in light of the patent’s written description, figures, prosecution history and relevant extrinsic evidence, if any. *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 372 (1996); *Phillips v. AWH Corp.*, 415 F.3d 1303, 1315–18 (Fed. Cir. 2005) (en banc). Because the patent-eligibility challenge here occurred before claim construction, the district court invited TWM to propose constructions for the asserted claims, which were accepted for purposes of this motion. Pet. App. at 24a, 25a. By this process, the district court applied the most favorable claim construction for the patentee in assessing eligibility. *See, e.g., Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat. Ass’n*, 776 F.3d 1343, 1349 (Fed. Cir. 2014), *cert. denied* 136 S. Ct. 119 (2015).

A representative claim for two of the four asserted patents reads:

A method for transmitting message packets over a communications network comprising the steps of:

converting a plurality of streams of audio and/or visual information into a plurality of streams of addressed digital packets complying with the specifications of a network communication protocol,

for each stream, routing such stream to one or more users,

controlling the routing of the stream of packets in response to selection signals received from the users, and

monitoring the reception of packets by the users and accumulating records that indicate which streams of packets were received by which users, wherein at least one stream of packets comprises an audio and/or visual selection and the records that are accumulated indicate the time that a user starts receiving the audio and/or visual selection and the time that the user stops receiving the audio and/or visual selection.

See Pet. App. 29a–30a. TWI submitted proposed constructions as to five terms for this claim alone, many of which incorporated network elements from the patent specification not recited in the claims.⁴ In

⁴ For example, for the “controlling the routing” claim element, TWI proposed a construction “directing a portion of the routing path taken by the stream of packets from one of a designated

total, TWM provided twenty claim constructions addressing all of the asserted claims. Respondents did not contest that claims should be construed “in the manner most favorable to [a] patentee on [a] Section 101 motion decided before formal claim construction,” nor did they challenge TWM’s proposed constructions for purposes of the motion. *See* Pet. App. 26a.

The district court analyzed the claims in light of the patent specification, recognizing that the specification “describ[ed] the patented invention as ‘a scalable architecture for delivery of real-time information over a communications network.’” But the claims—even as construed by TWM—did not “recite or refer to anything that could be described as an architecture.” Pet. App. 31a–32a. And the concepts that TWM imported from the specification via its claim constructions—such as the use of an “intermediate computer” in the third step of the claim reproduced above—did not transform the claim into a patentable invention that covered a non-abstract architecture. *See* Pet. App. 32a & n.3.

Contrary to TWM’s suggestion, nothing in the district court order suggests it “rejected” the specification as “irrelevant to the Section 101 analysis.” *See* Pet. 12. Rather, the district court held that the portions of the specification that described a more detailed architecture were not captured by the claims, even as construed by TWM.

group of intermediate computers to the user in response to one or more signals from the user selecting the stream.” As to another claim, TWM proposed construing the term “forwarding of real-time information” as “transmitting from an intermediate computer received real-time information.” 1:14-cv-01006-RGA (D. Del.) (Dkt. 61).

3. The court of appeals affirmed. Before the court of appeals, TWM again agreed that the court's attention should be directed to the claims as TWM had construed them. See Oral Argument 2:15–21, *Two-Way Media v. Comcast Cable Communication* (2016) (No. 16-2531), <http://oralarguments.cafc.uscourts.gov/default.aspx?fl=2016-2531.mp3> (“Q: Where do you find the architecture? In the claims or the specification? A [by TWM counsel]: In the claims, your honor.”). Like the district court, the Court of Appeals reviewed the patent written description and accepted TWM's constructions for purposes of the *Alice* analysis. Pet. App. 3a, 6a.

At *Alice* step one, the court of appeals affirmed the district court's conclusion that the claims were directed to the abstract idea of sending information, directing the information, and monitoring its receipt. The court of appeals emphasized that the claims simply described a general result, without “sufficiently describ[ing] how to achieve these results in a non-abstract way.” Pet. App. 11a. Citing the “intermediate computer” language that TWM incorporated from the specification into the construction of this claim, the court of appeals observed “[t]his construction fails to indicate how the claims are directed to a scalable network architecture that itself leads to an improvement in the functioning of the system.” *Id.* at 11a–12a. Thus, the court of appeals concluded that “[a]t best, [TWM's] constructions proposed the use of generic computer components to carry out the recited abstract idea.” *Id.* at 12a. Just as in *Alice* itself, “that is not sufficient.” *Id.*

At *Alice* step two, the court of appeals agreed with the district court that there is “no saving inventive concept in claim 1,” even employing TWM's own claim

constructions. Pet. App. 13a. TWM identified computer “architecture” described in the specification as its inventive concept. But, the court explained, TWM’s claims swept far more broadly than that, using “generic functional language” that was not limited to the architecture on which TWM relied. *Id.* at 14a. As a result, the court concluded, “[t]he main problem that Two-Way Media cannot overcome is that the *claim*—as opposed to something purportedly described in the specification—is missing an inventive concept. . . . While the specification may describe a purported innovative ‘scalable architecture,’ claim 1 of the ‘187 patent does not.” *Id.* at 13a (citations omitted).

Having concluded that TWM’s asserted inventive concept was not found in its claims, the court of appeals also agreed with the district court that evidence proffered by TWM about the purported technological innovations of its inventions was not relevant to the question of patent eligibility. Pet. App. 15a. Neither the district court nor the court of appeals declared that such type of evidence could *never* be relevant to a patent eligibility analysis. Rather, the courts below concluded that the evidence proffered by TWM was not relevant to the eligibility of the patent claims at issue.

REASONS FOR DENYING THE PETITION

I. THE FIRST QUESTION PRESENTED IS NOT WORTHY OF REVIEW.

Petitioner contends that the court of appeals required that the patents’ claims, viewed “in isolation” from the specification, contain an “extremely detailed” description of the invention. *See* Pet. 17. Petitioner further contends that panels of the Federal Circuit have disagreed with respect to whether the claims

should be assessed in light of the specification and the degree of detail they must contain. Both contentions are incorrect, and further review is not warranted.

In this case, the court of appeals followed this Court’s consistent guidance that patent eligibility ultimately turns on whether the challenged **claim** contains an inventive concept that ensures that the claim is directed to a patent-eligible application of an abstract idea. *See, e.g., Alice*, 134 S. Ct. at 2355 (“[W]e set forth a framework for distinguishing patents that **claim** laws of nature, natural phenomenon, and abstract ideas from those that **claim** patent eligible applications of those concepts.”) (emphasis added). In analyzing that question, the court of appeals did not consider the claims “in isolation,” but instead proceeded on the basis of **Petitioner’s** proposed claim constructions, which incorporated elements described in the specification. And far from requiring any particular degree of specificity, the court sought to identify computer architecture in the claims only because Petitioner itself identified that architecture as the inventive concept that prevented its claims from being abstract. The court accordingly reached the case-specific conclusion that the purported inventive concept was not reflected in the claims, even as Petitioner had construed them.

More broadly, the asserted doctrinal dispute that Petitioner asks this Court to resolve does not exist. The decisions that Petitioner identifies uniformly followed *Alice* in requiring that the necessary inventive concept be found in the claims, as understood in light of the specification. To the extent that some of these decisions generated dissenting opinions, the judges disagreed with respect to case-specific matters of claim scope—*i.e.*, whether certain features described in the

specification were reflected in the claims. None of the decisions purports to establish any bright-line rule concerning whether and when the patent-eligibility analysis must take into account elements described in the specification. This Court should deny certiorari.

A. This Court’s Section 101 decisions uniformly focus the patent-eligibility inquiry on the claims, not the written description.

1. This Court’s recent jurisprudence on Section 101 of the Patent Act leaves no doubt that it is the claims of a patent, not its written description, that must be patent eligible. Most recently the Court wrote: “[f]irst, we determine whether the *claims* at issue are directed to one of those patent-ineligible concepts. If so, we then ask, what else is there in the *claims* before us?” *Alice*, 134 S. Ct. at 2355 (citations and quotations omitted) (emphasis added). Other recent cases are in accord.⁵

The Court’s focus on claims for purposes of patent eligibility is not a recent phenomenon. In *O’Reilly v. Morse*, 56 U.S. 62 (1854), this Court determined that Samuel Morse invented the electromagnetic

⁵ *Mayo Collaborative Serv. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1294 (2012) (“We must determine whether the *claimed* processes have transformed these unpatentable natural laws into patent eligible applications of those laws. . . . Our conclusion rests upon an examination of the particular *claims* before us in light of the Court’s precedents.”) (emphasis added); *Bilski v. Kappos*, 561 U.S. 593, 610 (2010) (“[P]etitioners’ *claims* are not patentable processes because they are attempts to patent abstract ideas.”) (emphasis added); *Diamond v. Diehr*, 450 U.S. 175, 188 (1981) (“In determining the eligibility of respondents’ *claimed* process for patent protection under § 101, their *claims* must be considered as a whole.”) (emphasis added).

telegraph, a device he described and claimed in two patents. Although the Court did not question the inventiveness of Morse's telegraph, the Court evaluated the eligibility of Morse's patent claims on a claim-by-claim basis. *See id.* at 112–24. The Court held that Morse's eighth claim was invalid because it claimed the function of using electromagnetism for printing intelligible characters at any distance. “This claim,” the Court explained, “can derive no aid from the specification filed. It is outside of it, and the patentee claims beyond it.” *Id.* at 120–21.

The Court in *Morse* cited and followed *Wyeth v. Stone*, a case decided by Justice Story 14 years earlier when he was riding circuit. *Morse*, 56 U.S. 62 at 118 (citing F. Cas. 723 (C.C.D. Mass. 1840)). In *Wyeth*, the patent at issue recited two claims, and the specification described an apparatus and method for cutting ice. Justice Story found that one claim was tied to “the particular apparatus and machinery to cut ice, described in the specification.” *Wyeth*, F. Cas. at 727. That claim was valid. But the other claim was not tied to “any particular method or machinery” and was thus void for claiming “an art or principle in the abstract.” *Id.*

2. The Section 101 inquiry does incorporate the teachings contained in the specification in an important respect. In order to analyze a claim's patent eligibility, the court must first understand what the claims cover, a question that is informed by the patent specification. The specification contains a description of the invention sufficient to enable one skilled in the art to understand and practice the invention, and this description often illuminates the meaning of claim terms. *Markman*, 517 U.S. at 384; *Teva Pharm. USA, Inc. v. Sandoz, Inc.*, 135 S. Ct. 831, 842–43 (2015)

(construing the claim term “molecular weight” in light of diagrams in the specification). Thus, the Section 101 analysis properly focuses on the claims, but the court’s understanding of the claims’ scope may be informed by the specification. *See Mayo*, 132 S. Ct. at 1296 (explaining claim construction adopted by lower courts and conducting Section 101 inquiry on that basis).

3. Section 101’s focus on the claims follows from the role of the claims in establishing the patentee’s property rights. A claim, not the written description, is “the portion of the patent document that defines the scope of the patentee’s rights,” and “functions to forbid” any products or activities that fall within its scope. *Markman*, 517 U.S. at 372. The Patent Act therefore provides that it is the claim itself that must be valid: “Each claim of a patent . . . shall be presumed valid independently of the validity of other claims. . . . The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.” 35 U.S.C. § 282.

Focusing on the claims is particularly important in the Section 101 context, given the preemption concerns that animate Section 101. *See Alice*, 134 S. Ct. at 2344. The exclusive rights granted by abstract patent **claims** “would effectively grant a monopoly over an abstract idea.” *Bilski*, 561 U.S. at 612; *see also Mayo*, 132 S. Ct. at 1294 (allowing claims on laws of nature raises the prospect of “tying up the use of the underlying natural laws, inhibiting their use in the making of further discoveries”). But a patent’s written description—whether abstract or concrete—cannot raise any pre-emption concerns because no right to exclude attaches to it. Petitioner’s proposed framework would permit patent holders to obtain broad

abstract patent claims that exclude others from practicing basic abstract ideas so long as there is some concrete invention disclosed somewhere in the written description. Such a rule would contradict the letter and spirit of over 150 years of law on patentable subject matter.

B. The court of appeals did not hold that claims must be viewed in isolation without regard for the entire specification when determining patent eligibility.

The court of appeals applied this Court’s direction to analyze the patent eligibility of the patents’ claims. Contrary to Petitioner’s arguments, the court did not apply or endorse a rule that the claim language must be “viewed in isolation” or “without regard for the specification,” or that any particular level of detail must be present. Notably, the court of appeals considered the written description at some length before proceeding to its analysis of the eligibility of the claims. *See* Pet. App. 1a–3a.

And when the court of appeals turned to assessing the eligibility of the claims, it did so in light of the claim constructions proposed by TWM, which construed certain claim terms to incorporate elements from the written description that were not recited in the claims. Pet. App. 11a; *id.* at 32a n.3; TWM C.A. Br. 15–16 (discussing claim constructions incorporating an “intermediate computer” as described in the specification). The court concluded, however, that even so construed, the claims were not sufficiently concrete. In arguing that its claims were patent-eligible, TWM identified the computer architecture described in the specification as the allegedly concrete innovation that, in its view, prevented its claims from

being directed to an abstract idea at *Alice* step one, and that supplied the necessary inventive concept at *Alice* step two. *Id.* at 11a–13a. The question for the court of appeals, then, was whether TWM’s claims recited that computer architecture. The court concluded that they did not. Even TWM’s incorporation of an “intermediate computer” into the claim construction—despite the lack of any reference to such a computer in the claim language—was not sufficient to transform the claim into the “scalable network architecture” that TWM argued was the patent eligible inventive concept. *Id.* at 11a–12a. As the district court explained, while the “patent specifications do, in fact, point to the architecture of the system as the technological innovation,” the “claims cannot fairly be read to recite computer architecture even in light of [TWM’s] proposed claim constructions.” Pet. App. 32a n.3.

Petitioner is therefore wrong in contending that the court of appeals applied a bright-line rule requiring the claims to contain an “extremely detailed” description of architecture or a “specific means or method.” Pet. 16–17. Rather, the court sought to identify computer architecture in the claims only because TWM identified that architecture as the inventive concept that assertedly prevented the claims from being abstract. The court of appeals simply reached the case-specific conclusion that TWM’s claims do not contain any reference to, and therefore are not limited by, the computer architecture that TWM argued saved its claims from ineligibility. That holding does not warrant review.

C. The panel judges' dissents in *other* Federal Circuit decisions are no reason to grant the Petition here.

As described above, Petitioner mischaracterizes the court of appeals' opinion as applying a rule that the eligibility of patent claims must be considered in isolation, without reference to the written description. Based on this strawman, Petitioner attempts to create the appearance of a conflict by relying on two dissenting opinions in other cases by members of the unanimous panel on this case. But in each of those other cases, the dissenting judge simply disagreed with the majority with respect to how the claims at issue should be construed.

In *Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, the panel majority found the asserted claims patent-eligible at step two of this Court's *Alice* test because the Federal Circuit had previously construed the claim term "enhance" to incorporate several specific inventive features from the specification. 841 F.3d 1288, 1300 (Fed. Cir. 2016) (citing 761 F.3d 1329, 1338–40 (Fed. Cir. 2014)).⁶ Judge Reyna, in dissent, carefully reviewed the written descriptions, but disagreed with the majority that the claim constructions added sufficient inventive concept to certain claims to pass *Alice* step two. *Id.* at 1314. He concluded differently as to other claims, however. Contrary to Petitioner's depiction of Judge Reyna's application of Section 101 jurisprudence, he interpreted other

⁶ "[W]e specifically approved of the district court's reading the 'in a distributed fashion' and the 'close to the source' of network information requirements into the term 'enhance.'" *Amdocs*, 841 F.3d at 1300 (quotations omitted).

asserted claims as “captur[ing] enough of the distributed protocol ***disclosed in the specification*** to pass through the coarse eligibility filter of §101.” *Id.* at 1315 (emphasis added). In other words, he incorporated parts of the specification where he felt it was warranted. Thus, the majority and dissent simply disagreed as to the meaning of various asserted claims, but both referenced the specification for their positions. This is hardly evidence of a judge who analyzes patent eligibility “without reference to the written description,” as Petitioner asserts. Pet. 17–18.

Petitioner also argues that Judge Hughes, in *Visual Memory LLC v. NVIDIA Corp.*, 867 F.3d 1253 (Fed. Cir. 2017), “filed a dissent explaining his view that the specificity Section 101 requires must be in the claim language alone, without reference to the written description in the specification or to any other context.” Pet. 19. But Judge Hughes never expressed anything resembling the view that Petitioner ascribes to him. In *Visual Memory*, the majority analyzed the invention described in the patent’s written description and concluded that “the claims here are directed to a technological improvement: an enhanced computer memory system.” *Id.* at 1259. In dissent, Judge Hughes also analyzed the claims with reference to the written description, but came to a different conclusion. He concluded that the patent specification lacked description as to “how to implement the ‘programmable operational characteristic’ and requires someone else to supply the innovative programming effort.” *Id.* at 1263. Judge Hughes recognized that the patent described a microfiche appendix containing computer code, but noted that the patentee did not claim the microfiche. *Id.* at 1363–64. Accordingly, his dispute

with the majority was that “it has analyzed step one of *Alice* in a way that is untethered from the ’740 claims and the specification.” *Id.* at 1264 (emphasis added).⁷ That the majority and dissent in *Visual Memory* disagreed about the teaching in the specification and the scope of the claims is not indicative of a doctrinal conflict that requires this Court’s attention.

Petitioner lists a host of other Federal Circuit decisions that purport to “look[] *only* at the text of the claims at issue, eschewing reliance on the written description.” Pet. 20 (emphasis in original). In fact, none of those cases stake out that position. *See, e.g., Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1317–19 (Fed. Cir. 2016) (considering written description in Section 101 inquiry, but disagreeing with the dissenting judge concerning whether the claims should be understood to include certain specification elements). They may reflect differences of opinion about the extent to which details from the written description should be incorporated into any particular claim, but those case-specific disputes are not the question presented by this Petition. Nor do any of the listed cases on the other side of this purported intra-circuit dispute look only “to the written description in resolving a Section 101 dispute” (Pet. 20); rather, they all evaluate eligibility of the claims. *See, e.g. Bascom Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir. 2016) (“The **claims** do not merely recite the

⁷ The dispute in *Visual Memory* is not analogous to this case for the additional reason that the court there had not relied on the patentee’s proposed constructions. *See Visual Memory*, 867 F.3d at 1259.

abstract idea of filtering content”) (emphasis added); *In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 613 (Fed. Cir. 2016) (“[W]e find that the **claims** fail to recite any elements that individually or as an ordered combination transform the abstract idea . . . into a patent-eligible application of that idea.”) (emphasis added).⁸

* * *

In sum, Petitioner’s rationale for the Court reviewing the first question presented is that the Federal Circuit is split between, on the one hand, judges who believe that Section 101 requires evaluating patents as a whole, and on the other hand, judges who believe that Section 101 requires evaluating claims in isolation without reference to the specification. But no such split exists. In addition, this case would be a poor vehicle for addressing the first question because the decisions below are based upon Petitioner’s uncontested claim constructions that *do* incorporate aspects of the specification. Petitioner has no ground to ask this Court to incorporate even more into the claims for the first time on certiorari.

II. THE SECOND QUESTION PRESENTED IS NOT WORTHY OF REVIEW

Petitioner next argues that this Court should grant certiorari to decide whether the Section 101 patent eligibility inquiry may include subsidiary questions of fact. This Court’s review is unwarranted for two reasons. First, the Federal Circuit’s precedent on the

⁸ If Petitioner were correct in its characterization of *TLI Communications* as one in conflict with the “claims-only” approach of Judges Reyna and Hughes, it would be self-defeating: Judge Hughes authored *TLI Communications*.

question is uniform and correct. The Federal Circuit has consistently recognized that the question whether claimed subject matter is patent-eligible under Section 101 is a legal question that in some cases may require resolution of subsidiary questions of fact. That understanding accords with this Court's decisions in *Alice* and *Mayo*. Second, this particular case would be a poor vehicle to consider the second question as well. The Federal Circuit did not hold in this case that Section 101 is a purely legal inquiry, nor did it even consider that question. Instead, the court merely made case-specific relevance determinations with respect to the extra-record evidence proffered by Petitioner. That evidence, had the court considered it, would not have affected the outcome. Indeed, Petitioner has failed to identify any specific factual dispute that was resolved against it.

A. The Federal Circuit has consistently held that Section 101 involves a legal inquiry with subsidiary factual questions.

1. The Federal Circuit has recently reaffirmed that “[w]hether a claim recites patent eligible subject matter is a question of law which may contain disputes over underlying facts.” *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1368 (Fed. Cir. 2018); accord, e.g., *Aatrix Software, Inc. v. Green Shades Software, Inc.*, 882 F.3d 1121, 1128 (Fed. Cir. 2018) (“While the ultimate determination of eligibility under § 101 is a question of law, like many legal questions, there can be subsidiary fact questions which must be resolved en route to the ultimate legal determination.”); *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1336 (Fed. Cir.

2015) (explaining that patent eligibility is ultimately a question of law, but may contain “subsidiary” factfinding).

The Federal Circuit’s understanding that the Section 101 inquiry is a legal question with subsidiary factfinding is founded on this Court’s explication of Section 101 in *Alice* and *Mayo*. In those decisions, the Court held that the patent eligibility determination proceeds in two steps. First, the court “determine[s] whether the claims at issue are directed to” an abstract idea or other “patent-ineligible concept[.]” *Alice*, 134 S. Ct. at 2355. Second, if the claim is directed to an abstract idea, the court searches “for an ‘inventive concept’—*i.e.*, an element or combination of elements that is “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.” *Id.* (quoting *Mayo*, 132 S. Ct. at 1298). In evaluating whether the claim elements describe an “inventive concept,” the court considers whether the other claim elements amount to more than “well-understood, routine, conventional activit[ies]” previously known to the industry.” *Id.* at 2359.

As the Federal Circuit has explained, both steps of the *Alice/Mayo* analysis are primarily legal, turning on an examination of the claims and the written description. See *Berkheimer*, 881 F.3d at 1368. There is a subsidiary factual inquiry contained in *Alice* step two—namely, whether the claim elements amount to more than routine, conventional activities previously known in the field. *Id.* As the United States explained in *Alice*, the “inventive concept” inquiry “may require resolution of factual questions,” such as “whether persons skilled in the art would necessarily use the claimed steps in order to make use of a particular

abstract idea.” U.S. Amicus Br. 18, *CLS Bank Int’l v. Alice Corp.*, No. 11-1301 (Fed. Cir. 2011).

Often, that question can be resolved as a matter of law on the basis of the claims and specification, and the pleadings. In *Mayo*, for instance, the patents themselves declared that the claim elements reciting features other than the patent-ineligible law of nature were “well-known in the art,” leading the Court to conclude that the claim elements did not amount to anything more than routine, conventional activities. 132 S. Ct. at 1297–98. And in *Alice*, where the claimed inventive concept was the use of a computer to perform “electronic recordkeeping” functions, it was both commonly known and undisputed that using computers to keep electronic records was routine and conventional. 134 S. Ct. at 2359; *Berkheimer*, 890 F.3d at 1373 (Moore, J., concurring in denial of rehearing en banc) (where specification reveals use of existing computer technology, court may conclude as a matter of law that such use is not unconventional). In other cases, like this one, the court may not need to determine whether the asserted “inventive concept” is non-routine and unconventional, if it is evident that the purported inventive concept identified by the patentee does not actually appear in the claims. Pet. App. 15a; accord *Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1326 (Fed. Cir. 2016) (evidence about problems solved by the invention does not create a genuine dispute of material fact when “the claims do not actually contain the ‘conflict-free requirement’”); *Berkheimer v. HP Inc.*, 890 F.3d 1369, 1373 (Fed. Cir. 2018) (Moore, J., concurring in denial of rehearing en banc) (citing cases).

In some cases, however, plausible factual allegations or genuine factual disputes may preclude a court from determining that claim elements are routine or conventional at the motion-to-dismiss or summary judgment stage. *See, e.g., Aatrix*, 882 F.3d at 1128 (“[I]n this case, that question [of whether additional claim elements are conventional] cannot be answered adversely to the patentee based on the sources properly considered on a motion to dismiss, such as the complaint, the patent, and materials subject to judicial notice.”); *Versata*, 793 F.3d at 1334 (expert evidence considered in determining whether claim elements were routine and conventional).

2. Petitioner contends that several Federal Circuit decisions have departed from the principles described above. Pet. 27–29. That is incorrect. Petitioner takes out of context statements in some decisions to the effect that the Section 101 inquiry is a question of law. Pet. 28–29 (citing cases). Those statements, understood in their proper context, simply asserted—correctly—that the Section 101 inquiry is ultimately a question of law. *Cf. United States v. Alvarez*, 567 U.S. 709, 718 (2012) (categorical statements in opinions cannot be used to establish a “general rule” when doing so would ignore the statements’ “proper context”). They did not suggest that the inquiry contains no subsidiary questions of fact.

Indeed, the primary case on which Petitioner relies expressly acknowledged that the Section 101 analysis may include subsidiary findings of fact concerning whether the patent claim includes non-routine or unconventional steps. *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1331, 1334, 1336 (Fed. Cir. 2015). There, in reviewing the conclusion of the Patent Trial and Appeal Board (PTAB) that certain

patent claims were ineligible under Section 101 in the context of an *inter partes* review proceeding, the Federal Circuit stated that “[w]e review questions concerning compliance with the doctrinal requirements of § 101 . . . as questions of law,” but it also stated that the PTAB had made “underlying fact findings” with respect to whether “the additionally claimed steps . . . were well-known, routine, and conventional steps.” The Federal Circuit reviewed those fact findings, which were based on expert testimony, for substantial evidence. *Id.* at 1336; see 5 U.S.C. § 706.

The other decisions on which Petitioner relies upheld the dismissal on the pleadings of infringement suits on the ground that the asserted patent claims were patent-ineligible under Section 101. These decisions simply held that, in the circumstances of the individual case, there were no plausible allegations or judicially noticeable facts that precluded resolving the Section 101 issue against the patentee on the pleadings. See *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1341 (Fed. Cir. 2017) (holding that the patentee’s asserted inventive solutions did not appear in the claims, obviating the need to investigate whether the solution would have been unconventional); *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1363 (Fed. Cir. 2015) (holding that, as in *Alice*, the claims and specification revealed only conventional uses of a computer; observing that “receiv[ing] and send[ing] the information over a network—with no further specification—is not even arguably inventive”); *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1097 (Fed. Cir. 2016) (holding that the claims disclosed only the routine

use of a computer to monitor login data); *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat. Ass'n*, 776 F.3d 1343, 1348 (Fed. Cir. 2014) (holding that use of a computer to scan text off of a written document was routine after patentee conceded as much).⁹ Thus, in each of these cases, the court concluded on the basis of the patent's claims and specification, considered in light of judicially noticeable facts and common sense, that no factual disputes precluded holding that the claims at issue recited only routine, conventional steps or elements. These decisions therefore do not conflict with *Berkheimer* and *Aatrix*.

3. Petitioner also relies on the opinions issued in connection with the Federal Circuit's denial of rehearing en banc in *Berkheimer* and *Aatrix*. Pet. 30–31. But those opinions, and the denial of rehearing en banc itself, only confirm that there is general agreement within the Federal Circuit on the nature of the patent-eligibility inquiry.

Both *Berkheimer* and *Aatrix* held that the abstract-idea inquiry is a legal question that may rest on subsidiary fact-findings concerning the existence of non-routine and unconventional steps in the claim. The Federal Circuit denied rehearing en banc in both cases. Five judges authored an opinion concurring in the denial, explaining that “*Berkheimer* and *Aatrix* stand for the unremarkable proposition that whether a claim element or combination of elements would have been well-understood, routine, and conventional

⁹ Petitioner also cites (Pet. 28-29) *Prometheus Labs., Inc. v. Mayo Collaborative Servs.*, 628 F.3d 1347, 1353 (Fed. Cir. 2010), and *In re Bilski*, 545 F.3d 943, 951 (Fed. Cir. 2008), but those cases are inapposite because they predate this Court's establishment of the two-step Section 101 analysis in *Mayo*.

to a skilled artisan in the relevant field at a particular point in time is a question of fact.” 890 F.3d 1369, 1370 (Moore, J., concurring in the denial of rehearing en banc). The concurring judges further explained that the Federal Circuit’s decisions had been consistent on this question, and that the court had resolved Section 101 challenges against the patentee at the pleading stage only when the complaint, patent, and other judicially noticeable materials demonstrated that there was no genuine dispute that the claim lacked any non-routine or unconventional steps. *Id.* at 1370–73.

Petitioner makes much of Judge Reyna’s opinion dissenting from the denial of rehearing en banc, suggesting that Judge Reyna “made clear . . . that he will continue to adhere to his view that ‘patent eligibility under § 101 is an issue of law.’” Pet. 30. That is a misinterpretation of what Judge Reyna actually said. Judge Reyna explained that he agreed in principle with the Federal Circuit’s rule: he stated that patent eligibility is “*predominately* a legal question focused *on the claims*,” 890 F.3d at 1379 (first emphasis added), but that “additional fact finding is warranted” in appropriate cases, *id.* at 1381, and that “factual allegations” could in some cases “preclude dismissal for ineligible subject matter,” *id.* at 1382. He thus did not disagree with the panel decisions in *Berkheimer* and *Aatrix* with respect to the predominantly legal nature of the Section 101 inquiry. Rather, he dissented because of how the panels had resolved the specific analysis in those cases. In his view, *Berkheimer* and *Aatrix* could have been resolved on the ground that the inventive concept identified by the patentee was not reflected in the claims, thus obviating the need to consider whether the asserted

inventive concept was in fact non-routine and unconventional. He therefore argued that *Berkheimer* and *Aatrix* had given the conventionality inquiry too much prominence in the *Alice* inquiry. *Id.* at 1381–82. Nowhere did Judge Reyna suggest that he would categorically treat the question of whether particular claim elements are routine and nonconventional as legal rather than factual. And even if he had, the views of a single dissenting judge, in the absence of any conflict in the Federal Circuit’s decisions, would not justify this Court’s review.

B. The court of appeals in this case did not resolve any questions of fact on a motion to dismiss.

Review is unwarranted for the additional reason that this case does not actually implicate the question presented. The court of appeals did not resolve any disputed questions of fact in this case. Indeed, Petitioner does not even attempt to identify any fact that the court resolved against it. Nor does Petitioner explain how the result *in this case* would be changed by this Court’s answer to the second question presented.

Petitioner generally complains that the court of appeals disregarded “evidence that would support its arguments that the patents are directed to innovative applications of computer functions.” Pet. 32. Such evidence would, Petitioner posits, contradict the conclusions that the claims employ only conventional computer components. Pet. 31.

But the court of appeals agreed with the district court’s treatment of this evidence on the legal ground that Petitioner’s asserted inventive concept was not reflected in the claims. Pet. App. 14a–15a. Therefore

the court never reached the question of whether that unclaimed inventive concept was in fact non-routine and unconventional. The court therefore had no occasion to resolve any potential disputes of fact about the presence of TWM's proposed innovative concept. Accordingly, TWM's proffered evidence concerning the asserted novelty of its innovative scalable network architecture was irrelevant because it concerned allegedly innovative features that were not claimed.¹⁰ Pet. App. 15a. As discussed in relation to the first question above, the court of appeals followed this Court's consistent guidance to focus the Section 101 analysis on the exclusive rights granted by the claims, not unclaimed features. Where claims—even as construed by the patentee—do not recite an innovative concept, the claims are patent-ineligible. Extrinsic evidence substantiating an unclaimed innovative concept is therefore of no moment to the Section 101 analysis.

Because the court of appeals had no occasion to resolve any factual questions in this case, this case does not implicate the question presented. This Court should deny review.

¹⁰ The Federal Circuit in *Berkheimer* followed a similar path as the panel below. “The parties dispute[d] whether these improvements to computer functionality are captured in the claims.” *Berkheimer*, 881 F.3d at 1369. The *Berkheimer* panel did not consider that dispute—*i.e.*, the parties' disagreement over whether the claims captured certain features from the specification—to be a question of fact. Rather it resolved that dispute as a threshold *question of law*. *See id.* at 1369–70.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted,

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