

No.

In the Supreme Court of the United States

CHRISTOPHER PRIMBAS, PHILIP THOMAS
STAMATAKY, AND OMNI INVESTORS GROUP, INC.
Petitioners,

v.

ANDREI IANCU, DIRECTOR,
UNITED STATES PATENT AND TRADEMARK OFFICE,
Respondent.

ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

This Court has indicated that a patent claim involving an abstract idea is still patent eligible if it contains “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 [idea] itself.” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208, 305 (2014).

This Court has evaluated whether a claim involving an abstract idea contains an “inventive concept in its application” based on whether, “once that [idea] is assumed to be within the prior art, the [claim], considered as a whole, contains no patentable invention.” *Parker v. Flook*, 437 U.S. 584, 594 (1978).

In sharp contrast to this Court’s past precedent, here, the Patent Office held a claim ineligible as directed to an identified idea despite having determined that the claim recites a combination of steps that is inventive over that idea. The Office did so based on explicitly refusing to consider “particulars as to how” the idea is implemented. Pet. App. 7a.

The question presented is:

Whether recitation in a patent claim of a combination of steps determined to be inventive over an idea is “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [idea] itself.” *Alice*, 573 U.S. at 305.

**PARTIES TO THE PROCEEDING AND
CORPORATE DISCLOSURE STATEMENT**

Petitioners Christopher Primbas, Philip Thomas Stamatakis, and Omni Investors Group, Inc. were Appellants below. Petitioner Omni Investors Group, Inc. states that it has no parent corporation and that no publicly-held corporation owns 10% or more of its stock.

Respondent Andrei Iancu, in his official capacity as Director of the United States Patent and Trademark Office, was the Appellee below.

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PETITION FOR A WRIT OF CERTIORARI

Petitioners Christopher Primbas, Philip Thomas Stamatakis, and Omni Investors Group, Inc. respectfully petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit.

OPINIONS BELOW

The Federal Circuit's judgment affirming without opinion is unreported and reproduced at Pet. App. 1a-2a. The Federal Circuit's order denying a request for rehearing is unreported and reproduced at Pet. App. 3a-4a. The Patent Trial and Appeal Board's decision on appeal is unreported and reproduced at Pet. App. 9a-19a. The Patent Trial and Appeal Board's decision on request for rehearing is unreported and reproduced at Pet. App. 5a-8a.

JURISDICTION

The judgment of the court of appeals was entered on November 8, 2019. Pet. App. 2a. A timely petition for rehearing and rehearing en banc was denied on January 30, 2020.

Pursuant to this Court's order of March 19, 2020, "[i]n light of the ongoing public health concerns relating to COVID-19, ... the deadline to file any petition for a writ of certiorari due on or after the date of this order is extended to 150 days from the date of the lower court judgment, order denying discretionary

review, or order denying a timely petition for rehearing.”

This Court has jurisdiction pursuant to 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

35 U.S.C. § 101 provides:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

STATEMENT

I. Legal Background

This Court has “long held that [35 U.S.C. § 101] contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208, 304 (2014). This Court has “described the concern that drives this exclusionary principle as one of pre-emption.” *Id.*

However, this Court has also made clear that it “tread[s] carefully in construing this exclusionary principle lest it swallow all of patent law,” as “[a]t some level, ‘all inventions . . . embody, use, reflect, rest

upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Alice*, 573 U.S. at 304.

“Thus, an invention is not rendered ineligible for patent simply because it involves an abstract concept.” *Id.* Instead, this Court has set forth a two-step “framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice*, 573 U.S. at 305. The first step involves “determin[ing] whether the claims at issue are directed to one of those patent-ineligible concepts,” and the second step involves “a search 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.” *Alice*, 573 U.S. at 305 (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 72-73 (2012)).

II. Proceedings Below

The subject patent application was filed in 2011 and assigned U.S. Patent Application No. 13/046,837. The Patent Office determined that the claims are inventive over the prior art and mailed a notice of allowance on May 27, 2014 indicating that the application was in condition to issue as a patent. Pet. App. 20a.

However, following this Court's decision in *Alice*, the Office withdrew the subject application from issuance and entered a new rejection under the implicit judicial exception to 35 U.S.C. § 101 for abstract ideas.

The subject claim recites a technical solution for allowing a customer to pay a merchant in cash without having to receive physical coins back as change.

Specifically, the claim recites a method in which a "customer tender[s] cash to [a] merchant as payment for [] goods or services, and there [is] an amount of coin change due back to the customer." Pet. App. 10a. This claim recites that "the customer does not receive [such change] in the form of physical coins but rather in the form of a cash purchase of credit equal to the amount of coin change otherwise due." Pet. App. 10a-11a.

The Patent Office rejected the claim under the implicit judicial exception to 35 U.S.C. § 101 as being directed to the idea of "facilitating cash transactions without the need for a customer to receive coins as change due from a cash purchase," Pet. App. 13a, which the Office believes to be "a fundamental business practice long prevalent in our system of commerce." Pet. App. 29a-30a. The Office is correct in that the claim recites a process which achieves this result.

However, the claim includes a combination of steps reciting a specific way of achieving this result.

In particular, the claim recites “debiting, using an electronically readable device physically present at the customer-merchant transaction and in electronic communication with an electronic processor and a financial network, one or more accounts associated with the customer in an amount equal to a tracking fee, which is equal to the entire amount of the cash purchase of credit,” and “subsequently crediting to the one or more accounts associated with the customer the sum of both the cash purchase of credit and the tracking fee.” Pet. App. 11a. Notably, the ability to use a conventional card reader and an existing credit card network are advantages of this technical solution, as the use of conventional electronic hardware and card networks that are already in use at most point of sale registers allows for use of this solution by retailers without purchasing or installing any new hardware.

Petitioners have consistently argued before the Patent Trial and Appeal Board and the Federal Circuit that the recited combination of steps is sufficient to satisfy step two of the *Mayo / Alice* inquiry. See, e.g., Pet. App. 21a-24a, 25a-28a.

Notably, there has never been any dispute as to whether the recited combination of steps is unconventional and inventive. The Director has acknowledged that the patent applicants “ha[ve] developed a novel way of” “exchanging cash and crediting and debiting accounts.” Pet. App. 30a-31a. The Patent Office determined that the recited

combination of steps is inventive over the prior art and allowed the application, and counsel for the Director confirmed this during oral argument before the Federal Circuit.

In particular, during oral argument, a member of the Federal Circuit panel indicated that “Primbas’ counsel says that the Board has admitted that these extra steps, that we’re talking about here, this extra crediting of the tracking fee, and then the later debiting of it, ... that those are unconventional,” and then asked counsel for the Respondent: “Do you agree with that?” Pet. App. 32a.

In response, counsel for the Respondent not only confirmed that the Office found the recited combination of steps to be novel and thus unconventional, but also went on to note that the Office found it to be inventive as well, indicating that the Office “did not find it to be anticipated or obvious based on the prior art.” Pet. App. 32a.

Importantly, as noted above, the Director has also made clear that the Office believes that the identified idea is “a fundamental business practice long prevalent in our system of commerce,” and thus in the prior art. Director’s Brief at 11.

Here, then, the Office has determined that the recited combination of steps is inventive over everything that the Office believes to be in the prior art, including the identified idea of “facilitating cash transactions without the need for a customer to

receive coins as change due from a cash purchase.’” Director’s Brief at 11.¹

However, despite determining that the recited combination of steps is inventive over the identified idea, the Office nonetheless held the claim ineligible as directed to that idea based on refusing to consider “particulars as to how” the idea is implemented. Pet. App. 7a.

In particular, in explaining its rationale for concluding that the recited combination of steps is insufficient to transform the nature of the claim into a patent-eligible application, the Board indicated that it was dismissing “[t]he particulars as to how the amounts debited and credited are determined [as] all part of the abstract idea [of facilitating cash transactions without the need for a customer to receive coins as change due from a cash purchase], beyond the scope of § 101.” Pet. App. 7a.

The patent applicants timely filed a notice of appeal with the Federal Circuit, who had jurisdiction under 28 U.S.C. § 1295, which provides that “[t]he United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction... of an appeal from a decision of... the Patent Trial and Appeal Board of the United States Patent and Trademark Office with

¹ Similarly, this makes clear that the Office has determined that the recited combination of steps is inventive over the prior art concepts of “crediting” and “debiting” which the Office has confusingly referenced at times.

respect to a patent application.” 28 U.S.C. § 1295(a)(4)(A).

The Federal Circuit, faced with the Office’s explicit acknowledgment that the recited combination of steps is unconventional and inventive, notwithstanding the court’s own precedent suggesting that “[t]he second step of the *Alice* test is satisfied when the claim limitations involve more than performance of well-understood, routine, and conventional activities previously known to the industry,” *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1367-1368 (Fed. Cir. 2018) (internal quotations omitted), nonetheless affirmed the Board without writing an opinion explaining its rationale for why the recited unconventional combination of steps was not sufficient to satisfy the second step of the *Alice* test.

Petitioners requested rehearing, urging that the recited combination of steps determined by the Office to be inventive over the idea “should be sufficient to ensure that the claim contains an ‘inventive concept in its application,’” Pet. App. 39a, but the Federal Circuit denied rehearing without explaining its rationale as to why the recited combination of steps determined to be inventive over the idea was not sufficient to satisfy the second step of the *Alice* test. Pet. App. 4a.

REASONS FOR GRANTING THE PETITION

- I. **The decisions below are wrong in that the recited combination of steps that was determined to be inventive over the identified idea should have been adjudged “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [idea] itself.” *Alice*, 573 U.S. at 305.**

A. As noted above, this Court has set forth a two-step “framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice*, 573 U.S. at 305. The first step involves “determin[ing] whether the claims at issue are directed to one of those patent-ineligible concepts,” and the second step involves “a search 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.’” *Alice*, 573 U.S. at 305 (quoting *Mayo*, 566 U.S. at 72-73).

While there exists substantial uncertainty regarding exactly what is required at this second step, Petitioners urge that a combination of claim steps which is sufficient to render a claim inventive over an

idea, i.e. satisfy the judicial test of invention² over the idea, is also “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [idea] itself.” *Alice*, 573 U.S. at 305 (quoting *Mayo*, 566 U.S. at 72-73).

This conclusion is in accord both with “the preemption concern that undergirds [] §101 jurisprudence,” *Alice*, 573 U.S. at 304, and with this Court’s suggestion in *Parker v. Flook*, 437 U.S. 584 (1978) that determining whether a claim directed to an idea contains an “inventive concept in its application” involves considering whether, “once that [idea] is assumed to be within the prior art, the [claim], considered as a whole, contains no patentable invention.” *Flook*, 437 U.S. at 594.

This reasoning from *Flook* is especially relevant because, although the Court only recently articulated the current two-part framework in *Mayo* and *Alice*, “step two of this analysis [involving] a search for an ‘inventive concept’ ” appears to have been derived

² In *Hotchkiss v. Greenwood*, 52 U.S. 248 (1851), this Court “formulated a general condition of patentability” which “distinguished between new and useful innovations that were capable of sustaining a patent and those that were not.” *Graham v. John Deere Co.*, 383 U.S. 1, 11 (1966). Reflecting on *Hotchkiss*, this Court has noted that “[t]he language in the case, and in those which followed, gave birth to ‘invention’ as a word of legal art signifying patentable inventions.” *Id.*

therefrom. *Alice*, 573 U.S. at 305 (quoting *Mayo*, 566 U.S. at 72-73). In this regard, this Court’s definition of the “search for an ‘inventive concept’ ” as “a search for ... 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,’” *Alice*, 573 U.S. at 305, is directly in line with this Court’s indication in *Mayo* that “th[is] Court's precedents ... insist that a process that focuses upon the use of a natural law also contain other elements or a combination of elements, sometimes referred to as an ‘inventive concept,’ sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the natural law itself.” *Mayo*, 566 U.S. at 72-73 (citing *Flook*, 437 U.S. at 594). The Court cited *Flook* as supporting this proposition.

In *Flook*, this Court indicated that “the discovery of [] a phenomenon cannot support a patent unless there is some other inventive concept in its application,” *Flook*, 437 U.S. at 594, which is directly in line with this Court’s more recent indication that “[a]t *Mayo* step two, we must examine the elements of the claim to determine whether it contains an ‘inventive concept’ ‘ sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.” *Alice*, 573 U.S. at 307.

This Court in *Flook* explicitly outlined its reasoning for finding that there was no inventive concept sufficient to confer eligibility, making clear

that the claimed “process [wa]s unpatentable under § 101, not because it contains a mathematical algorithm as one component, but because once that algorithm is assumed to be within the prior art, the application, considered as a whole, contains no patentable invention.” *Flook*, 437 U.S. at 594.

Thus, as noted above, this Court in *Flook* suggested that determining whether a claim directed to an abstract idea contains an “inventive concept in its application” involves considering whether, “once that [abstract idea] is assumed to be within the prior art, the [claim], considered as a whole, contains no patentable invention.” *Flook*, 437 U.S. at 594.

This Court’s formulation of the inventive concept inquiry in *Mayo* and *Alice* remains consistent with this. In this regard, a combination of claim steps that satisfies the judicial test of invention even when the idea “is assumed to be within the prior art,” *Id.*, clearly satisfies step two of the *Mayo / Alice* inquiry in that it “transform[s] the process into an inventive application of the [idea]” and is “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [[idea]] itself.” *Alice*, 573 U.S. at 305, 309 (quoting *Mayo*, 566 U.S. at 72-73, 81).

Overall, a combination of claim steps that is inventive over an idea is “sufficient to ensure that the patent in practice amounts to significantly more than

a patent upon the [idea] itself.” *Alice*, 573 U.S. at 305 (quoting *Mayo*, 566 U.S. at 72-73).³

B. As discussed above, in the present case the Patent Office determined that the claim recites a combination of steps that is nonobvious over, i.e. inventive over,⁴ the prior art. Importantly, the Director has also made clear that the Office believes that the identified idea is “a fundamental business practice long prevalent in our system of commerce,” and thus in the prior art. Director’s Brief at 11.

Here, then, the Office has determined that the recited combination of steps is inventive over everything that the Office believes to be in the prior

³ Petitioners would further suggest that this proposition may also be supported by the reasoning that an inventive step is sufficient to ensure the existence of an inventive concept, which reasoning may be relevant because “the term[] ‘inventive step’ ... may be deemed ... to be synonymous with the term[] ‘non-obvious.’” Agreement Establishing the World Trade Organization, Annex 1C - Agreement on Trade-Related Aspects of Intellectual Property Rights, Section 5, note 5, available at https://www.wto.org/english/docs_E/legal_E/31bis_trips_e.pdf.

⁴ This Court has noted with respect “a judicial test[of] ‘invention’ -- i.e., ‘an exercise of the inventive faculty,’” that “Congress... articulated th[is] requirement in a statute, framing it as a requirement of ‘nonobviousness.’” *Dann v. Johnston*, 425 U.S. 219, 225-226 (1976) (quoting *McClain v. Ortmyer*, 141 U.S. 419, 427 (1891)).

art, including the identified idea of “facilitating cash transactions without the need for a customer to receive coins as change due from a cash purchase’.” Director’s Brief at 11.⁵

Petitioners urge that this recited combination of steps that was determined by the Patent Office to be inventive over the identified idea should have been adjudged “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [idea] itself.” *Alice*, 573 U.S. at 305, 309 (quoting *Mayo*, 566 U.S. at 72-73, 81).

Instead, the Patent Office held the claims ineligible as directed to this identified idea based on refusing to consider “the particulars as to how” the idea is implemented. Pet. App. 7a.

Petitioners urge that the Patent Office erred in refusing to consider whether the recited combination of steps which it had determined to be inventive over the identified idea was “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [idea] itself.” *Alice*, 573 U.S. at 305, 309 (quoting *Mayo*, 566 U.S. at 72-73, 81).

C. Similarly, Petitioners urge that the Federal Circuit should have adjudged the recited combination of steps that was determined to be inventive over the

⁵ Similarly, this makes clear that the Office has determined that the recited combination of steps is inventive over the prior art concepts of “crediting” and “debiting” which the Office has confusingly referenced at times.

identified idea “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [idea] itself.” *Alice*, 573 U.S. at 305, 309 (quoting *Mayo*, 566 U.S. at 72-73, 81).

Instead, despite the Office’s explicit statement that the recited combination of steps is unconventional and the Federal Circuit’s own precedent suggesting that “[t]he second step of the *Alice* test is satisfied when the claim limitations involve more than performance of well-understood, routine, and conventional activities previously known to the industry,” *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1367-1368 (Fed. Cir. 2018) (internal quotations omitted), the Federal Circuit affirmed the Board without writing an opinion explaining its rationale.

Similarly, even after Petitioners highlighted on petition for rehearing the Office determination that the recited combination of steps is inventive over the identified idea, the Federal Circuit still declined to explain its rationale for why the recited combination of steps determined to be inventive over the idea is not “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [idea] itself.” *Alice*, 573 U.S. at 305, 309 (quoting *Mayo*, 566 U.S. at 72-73, 81).

Notably in this regard, one member of the panel below has even suggested that “[m]erely identifying an inventive concept is insufficient; the additional elements must also ‘transform the nature of the claim’ into a patent-eligible application.’” *Berkheimer*

v. HP Inc., 890 F.3d 1369, 1380 (Fed. Cir. 2018) (Reyna, J., dissenting from denial of rehearing en banc).

Petitioners urge, however, that this view overlooks that the “search 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,’” *Alice*, 573 U.S. at 305 (quoting *Mayo*, 566 U.S. at 72-73), is exactly how “to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Alice*, 573 U.S. at 305 (quoting *Mayo*, 566 U.S. at 78).

This Court made that abundantly clear in *Alice*, when, after noting that “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,” it indicated that “[w]e have described step two of this analysis as a search 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,’” *Alice*, 573 U.S. at 305 (quoting *Mayo*, 566 U.S. at 72-73). The primacy of this inquiry makes sense given that it speaks to “the pre-emption concern that undergirds [] §101 jurisprudence.” *Alice*, 573 U.S. at 304.

It is unfortunate that the Federal Circuit declined to explain its rationale for why the recited combination of steps determined to be inventive over the idea is not “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [idea] itself.” *Alice*, 573 U.S. at 305, 309 (quoting *Mayo*, 566 U.S. at 72-73, 81). To the extent that it was based on a belief that “[m]erely identifying an inventive concept is insufficient,” *Berkheimer*, 890 F.3d at 1380 (Reyna, J., dissenting from denial of rehearing en banc), Petitioners urge that this is erroneous.

Ultimately, however, Petitioners urge that knowing the exact rationale for affirmance is not necessary to recognize that the decision was wrong.

Petitioners urge that a combination of claim steps that is inventive over an idea is “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [idea] itself.” *Alice*, 573 U.S. at 305 (quoting *Mayo*, 566 U.S. at 72-73), and the decisions below are wrong in that the recited combination of steps that was determined to be inventive over the identified idea should have been adjudged “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [idea] itself.” *Alice*, 573 U.S. at 305 (quoting *Mayo*, 566 U.S. at 72-73).

II. The question presented is exceptionally important and warrants this Court's review.

A. As the United States has urged, "the confusion created by this Court's recent Section 101 precedents warrants review."

Recently, in response to a petition filed in *Hikma Pharmaceuticals USA Inc. v. Vanda Pharmaceuticals Inc.*, No. 18-817 concerning patent eligibility under 35 U.S.C. § 101, this Court called for the views of the United States. The United States filing as Amicus Curiae articulated much more eloquently than the Petitioners could hope to why "the confusion created by this Court's recent Section 101 precedents warrants review." Brief for the United States as Amicus Curiae, *Hikma Pharmaceuticals USA Inc. v. Vanda Pharmaceuticals Inc.*, No. 18-817 at 8 (Filed Dec. 6, 2019).

The United States indicated that it believes that "[t]he second step [of the *Mayo / Alice* inquiry] is [] ambiguous." *Id.* at 18.

This is an admission from the United States, whose Patent Office is charged with examining patent applications for compliance with 35 U.S.C. § 101, that it finds the test for doing so ambiguous. If the United States finds the test ambiguous, how can the Patent Office possibly reach conclusions that are not

“arbitrary”? See 5 U.S.C. § 706 (“The reviewing court shall... hold unlawful and set aside agency action, findings, and conclusions found to be... arbitrary.”)

Petitioners urge that this situation warrants this Court’s intervention and guidance.

B. The Federal Circuit appears unable to resolve this confusion, as it is split and uncertain regarding the second step of the *Alice / Mayo* framework.

The Federal Circuit is split and uncertain regarding the second step of the *Mayo / Alice* framework, and has been unable to develop a consistent approach to evaluating whether a claim contains “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.’” *Alice*, 573 U.S. at 305 (quoting *Mayo*, 566 U.S. at 72-73).

As noted above, in *Berkheimer* the Federal Circuit indicated that “[t]he second step of the *Alice* test is satisfied when the claim limitations ‘involve more than performance of ‘well-understood, routine, [and] conventional activities previously known to the industry.’ ” *Berkheimer*, 881 F.3d at 1367 (quoting *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat’l Ass’n*, 776 F.3d 1343, 1347-1348 (Fed. Cir. 2014) (quoting *Alice*, 573 U.S. at 310)).

And yet, as also noted above, notwithstanding this indication, in the face of the Office's explicit statement that the recited combination of steps is unconventional, the Federal Circuit affirmed the Board without writing an opinion explaining its rationale for why the recited unconventional combination of steps was adjudged not sufficient to satisfy the second step of the *Alice* test.

Even assuming *arguendo* that this is a proposition more honored in the breach than the observance, the frequency of inobservance serves to illustrate the discordant views at the Federal Circuit regarding the second step of the *Mayo / Alice* framework.

Indeed, this is more a recurring pattern than a one-time occurrence. For example, in *Am. Axle & Mfg., Inc. v. Neapco Holdings LLC*, 939 F.3d 1355 (Fed. Cir. 2019), the Federal Circuit held a method for manufacturing a shaft assembly of a driveline system ineligible over a vigorous dissent urging that “[t]he majority opinion parrots the *Alice/Mayo* two-part test, but reduces it to a single inquiry: If the claims are directed to a law of nature (even if the court cannot articulate the precise law of nature) then the claims are ineligible and all evidence of non-conventionality will be disregarded or just plain ignored.” *Am. Axle*, 939 F.3d at 1368 (Moore, J., dissenting).

The dissent observed that “[t]he majority's decision expands § 101 well beyond its statutory gate-keeping function,” and that “[t]he majority rejects the

notion that claims which contain an ‘inventive concept’ survive the gatekeeper.” *Id.*

This predilection to “reject[] the notion that claims which contain an ‘inventive concept’ survive the gatekeeper,” *Id.*, is shared by more members of the Federal Circuit than just the majority in *Am. Axle*. For example, as noted above, one member of the Federal Circuit panel in the present case has suggested that “[m]erely identifying an inventive concept is insufficient.” *Berkheimer*, 890 F.3d at 1380 (Reyna, J., dissenting from denial of rehearing en banc).

Petitioners raise these points not to focus on whether the Federal Circuit is failing to follow its own precedent or this Court’s precedent, although that is obviously problematic. Instead, Petitioners’ primary point is that these occasions evidence that the Federal Circuit is so split that it is unlikely to be able to resolve the confusion and uncertainty regarding step two of the *Mayo / Alice* inquiry, and thus this Court’s intervention is needed.

Indeed, one member of the Federal Circuit has suggested that “[t]he law... renders it near impossible to know with any certainty whether [an] invention is or is not patent eligible,” and has chosen to “respectfully dissent from our court’s continued application of this incoherent body of doctrine.” *Interval Licensing LLC v. AOL, Inc.*, 896 F.3d 1335, 1348 (Fed. Cir. 2018) (Plager, J., concurring-in-part and dissenting-in-part).

C. The question presented can help resolve this confusion.

There is widespread consensus that the confusion regarding the implicit judicial exception to 35 U.S.C. § 101 warrants this Court's attention. Many of these calls for the Court to resolve this confusion, however, overlook that "appellate courts do not sit as self-directed boards of legal inquiry and research, but essentially as arbiters of legal questions presented and argued by the parties before them." *Carducci v. Regan*, 714 F.2d 171, 177 (D.C. Cir. 1983) (Scalia, J.).

Petitioners urge that the question presented is a great place to start to resolve the confusion over the second step of the *Mayo / Alice* inquiry.⁶

⁶ Notably, Petitioners are not the only ones who have expressed interest in the question presented, as the Director has publicly posed an oversimplified variation of the question presented, querying: "How can a claim be novel enough to pass 102 and nonobvious enough to pass 103, yet lack an 'inventive concept' and therefore fail 101?" Andrei Iancu, Remarks by Director Iancu delivered at the Intellectual Property Owners Association 46th Annual Meeting (September 24, 2018), available at <https://www.uspto.gov/about-us/news-updates/remarks-director-iancu-intellectual-property-owners-46th-annual-meeting>. The answer to this oversimplified question, of course, is that the claim may involve a novel, but ineligible, law of nature, natural phenomenon, or abstract idea, but

For example, confirmation that a combination of claim steps that is inventive over an idea is “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [idea] itself,” *Alice*, 573 U.S. at 305 (quoting *Mayo*, 566 U.S. at 72-73), would give the Patent Office a more firm guidepost for confirming that a combination of steps satisfies step two of the *Mayo / Alice* inquiry. This would hopefully obviate the arbitrary nature of the Office’s current decisions which rely on a test the government views as “ambiguous.” See Brief for the United States as Amicus Curiae, *Hikma Pharmaceuticals USA Inc. v. Vanda Pharmaceuticals Inc.*, No. 18-817 at 18 (Filed Dec. 6, 2019).

III. Notwithstanding the Federal Circuit’s cursory treatment, this case is an appropriate vehicle for resolving the question presented.

As noted above, in the present case the Federal Circuit affirmed the Patent Trial and Appeal Board decision without writing an opinion explaining its

the underlying point is that a combination of elements that is inventive over an ineligible idea should be “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [idea] itself,” *Alice*, 573 U.S. at 305 (quoting *Mayo*, 566 U.S. at 72-73).

rationale for doing so, and in particular without explaining why it believed that the recited combination of steps that was determined to be inventive over the identified idea was not “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [idea] itself.” *Alice*, 573 U.S. at 305 (quoting *Mayo*, 566 U.S. at 72-73).

As Petitioners urged above, however, knowing the exact rationale for affirmance is not necessary in order to recognize that the Federal Circuit decision was wrong, as the recited combination of steps that was determined to be inventive over the identified idea should have been adjudged “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [idea] itself.” *Alice*, 573 U.S. at 305 (quoting *Mayo*, 566 U.S. at 72-73).

Further, knowing the exact rationale for affirmance is not necessary for this Court’s consideration of the question presented, and there is no reason to believe that delay by this Court will result in resolution of the issue by the Federal Circuit given that, as detailed above, the Federal Circuit appears to be hopelessly split regarding the second step of the *Mayo / Alice* inquiry. Instead, when a dissenting member of the Court is expressing frustration that “[t]he majority rejects the notion that claims which contain an ‘inventive concept’ survive the gatekeeper,” *Am. Axle*, 939 F.3d at 1368 (Moore,

J., dissenting), it seems that this Court's intervention is urgently needed.

Notably, this Court is no stranger to granting certiorari in cases in which the Federal Circuit has issued a judgment without opinion. This Court did so only a handful of years ago in *Oil States Energy Services, LLC v. Greene's Energy Group, LLC*, 138 S. Ct. 1365 (2018). Just as in *Oil States*, “[i]f the Federal Circuit is willing to let the Board’s opinion serve as a proxy for its own, this Court should not hesitate to take the Federal Circuit up on the offer,” as “[t]he Federal Circuit’s questionable practice [of no-opinion judgments] should not be permitted to ‘cert proof’ issues.” Petition for Writ of Certiorari, *Oil States Energy Services, LLC v. Greene's Energy Group, LLC*, No. 16-712, 138 S. Ct. 1365 (2018).

Indeed, the Federal Circuit’s willingness to let the Board’s opinion serve as a proxy for its own makes this an ideal vehicle for considering the question presented, as the government can weigh in on its own decision and rationale, rather than having to consider and support a rationale offered by the Federal Circuit.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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