

No. 19-521

IN THE
Supreme Court of the United States

CHARGEPOINT, INC.,
Petitioner,

v.

SEMACONNECT, INC.,
Respondent.

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

REPLY BRIEF

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TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES	ii
REPLY BRIEF	1
I. THE CONFLICT WITH <i>DIEHR</i> WAR- RANTS CERTIORARI	3
II. THIS CASE IS A PROPER VEHICLE TO RECONSIDER THE NON-STATUTORY EXCEPTION TO SECTION 101	9
CONCLUSION	11

TABLE OF AUTHORITIES

CASES	Page
<i>Alice Corp. Pty. Ltd. v. CLS Bank Int'l</i> , 134 S. Ct. 2347 (2014).....	2, 3, 8
<i>Diamond v. Diehr</i> , 450 U.S. 175 (1981)...	2, 4, 6, 7
<i>Gottschalk v. Benson</i> , 409 U.S. 63 (1972).....	8
<i>O'Reilly v. Morse</i> , 56 U.S. (15 How.) 62 (1853).....	7, 8
<i>Parker v. Flook</i> , 437 U.S. 584 (1978).....	7
STATUTE	
35 U.S.C. § 101	2, 9, 10

REPLY BRIEF

SemaConnect’s Brief in Opposition (“Opp.”) tries to address everything in the room except the elephant—namely, the fact that the test for patentability under Section 101 is a shambles and needs correction. Currently, there is tremendous uncertainty about what is patent eligible in America. See Pet. 2 n.2. Indeed, the United States recently filed at least three briefs with this Court asserting that “[t]he confusion created by this Court’s recent Section 101 precedents warrants review.”¹ The time has come to dispel the Section 101 confusion, and this is the right case to do so.

The current jurisprudential confusion under Section 101 is nowhere clearer than in this case. The Federal Circuit used the present confusion to conflate an improved machine that is capable of implementing an abstract idea with the abstract idea itself. In the process, the Federal Circuit contravened this Court’s long-standing precedent.

SemaConnect’s primary argument against certiorari is an effort to re-characterize ChargePoint’s patent claims to suggest that they consist of nothing more than the abstract idea of network control applied to generic electric-vehicle charging stations. As an initial matter, this notion is entirely counterfactual—prior to ChargePoint’s invention, no electric-vehicle charging station (much less a generic one) was network capable.

¹ Br. for the United States as Amicus Curiae 8, *Hikma Pharm. USA Inc. v. Vanda Pharm. Inc.*, No. 18-817 (U.S. Dec. 6, 2019) (*Hikma Br.*); accord Br. for the United States as Amicus Curiae 10, *HP Inc. v. Berkheimer*, No. 18-415 (U.S. Dec. 6, 2019) (*Berkheimer Br.*); Br. for the United States in Opposition 13–14, *Trading Techs. Int’l, Inc. v. IBG LLC*, No. 19-353 (U.S. Dec. 18, 2019) (*Trading Techs. Br.*).

ChargePoint changed that, inventing a charging station that included physical components necessary to implement networking. That differs markedly from the use of generic computers in *Alice Corp. Pty. Ltd. v. CLS Bank International*, 134 S. Ct. 2347 (2014).

More fundamentally, however, SemaConnect’s argument merely puts different trappings on the reading that the Federal Circuit gave the claims and that contravenes *Diamond v. Diehr*, 450 U.S. 175 (1981). In *Diehr*, the Court held that patent claims cannot be dissected into “new” and “old” and then be held abstract based solely on the new or inventive elements. “The fact that one or more” elements of a claim “may not, in isolation, be novel or independently eligible for patent protection is irrelevant to ... whether the claims as a whole recite subject matter *eligible* for patent protection.” *Id.* at 193 n.15. If the claims are read as this Court has foundationally instructed, then it is clear that the Federal Circuit’s decision in this case further conflicts with *Diehr* and the long-standing principle it embodies, viz., incorporating an abstract idea into a machine does not render the resulting invention patent ineligible. Otherwise, the plain language of Section 101 is meaningless.

Contrary to SemaConnect’s assertions, this issue cannot be reserved for Congress, and this case is the proper vehicle to address the Section 101 confusion. As the United States has explained, the confusion under Section 101 was created by the judiciary, not Congress. The Court should grant certiorari to reconcile any exception to Section 101 with the textual command of the statute. ChargePoint unquestionably invented a “new and useful ... machine,” or at least a “new and useful improvement” to a machine—electric-vehicle charging stations with network control capabilities. 35 U.S.C. § 101. Moreover, this case does not present a fact-

bound dispute but a question about the scope of Section 101 and the correct test for patentability of machines.

The time has come for the Court to clarify Section 101. This case presents an attractive opportunity to address an important element of patent eligibility. The petition should be granted.

I. THE CONFLICT WITH *DIEHR* WARRANTS CERTIORARI.

The Court in *Alice* intended the atextual exception to Section 101 to be limited and used cautiously, lest the exception “swallow all of patent law.” 134 S. Ct. at 2354; Pet. 25. The confusion since *Alice* has made that warning a reality. Indeed, it led the Federal Circuit here to hold invalid a patent claiming an improved electric-vehicle charging station because the physical improvements to the machine allow it to implement an abstract idea.

The Federal Circuit’s decision simply cannot be squared with this Court’s decision in *Diehr*. Pet. 17–22. The conflict is twofold: (1) the decision conflicts with *Diehr*’s holding that merely incorporating an abstract idea into an invention does not render it patent ineligible, Pet. 18–20; and (2) it conflicts with *Diehr*’s holding that claims cannot be dissected into old and new elements and then held patent ineligible because the “new” or inventive elements are deemed abstract, Pet. 20–21. This Court needs to clarify whether *Diehr* remains viable and how it fits into the Court’s more recent efforts under Section 101.

a. SemaConnect responds by essentially re-characterizing ChargePoint’s patents. It asserts repeatedly that each of the patent claims at issue “is an abstract idea (remote control over a network)” that happens to be in the context of electric-vehicle charging stations.

Opp. 1, 8, 12, 16. But this characterization simply doubles down on the second conflict created by the Federal Circuit’s decision in this case. According to SemaConnect and the Federal Circuit, the inventive element of ChargePoint’s claims is “the abstract idea of communication over a network.” *Id.* at 16 (quoting Pet. App. 11a); see *id.* at 8 (“[T]he only allegedly inventive aspect of these claims is the addition of generic network control ...”). This, however, merely isolates one of the claim limitations—i.e., the networking componentry—and ignores the remainder. That is precisely what the Court in *Diehr* said is an improper methodology under Section 101. See Pet. 20–21.

Indeed, this aspect was critical to the *Diehr* majority’s decision. The dissent would have read the claim at issue there as merely “a new method of programming a digital computer in order to calculate ... the correct curing time in a familiar process.” 450 U.S. at 193 n.15. But the majority rejected this approach, holding instead that the claim could not be “limited to the isolated step of ‘programming a digital computer’”—merely one of several limitations in the claim. *Id.* The “fact that one or more of the steps ... may not, in isolation, be novel or independently eligible for patent protection is irrelevant to the question of whether the claims as a whole recite subject matter *eligible* for patent protection under § 101.” *Id.* The Federal Circuit (and now SemaConnect) disregarded this holding in *Diehr* by isolating one limitation of ChargePoint’s claims—the component that facilitates network communication—and then using it to declare the entire machine claim to be an ineligible abstract idea. This is hopelessly at odds with this holding of *Diehr*.

SemaConnect says that the Federal Circuit did not in fact disregard this aspect of *Diehr* because Charge-

Point admitted below that the “essence” of its invention is networking—that is, “to enable electric-vehicle charging stations to ‘be controlled remotely.’” Opp. 21–22; see *id.* at 9, 11, 12–13. But the statements from ChargePoint in no way conceded that the patent claims were limited to communications over a network or any other supposed abstract idea.² Rather, they highlighted a capability of the claimed machines that made them inventive. The essence of Doc Brown’s invention in *Back to the Future* may have been time travel, but that characterization would not make his improved DeLorean any less patentable. See Pet. 22. Similarly, the essence of the claim in *Diehr* may have been a method for programming a computer to calculate the proper curing time, but that did not mean the Court could ignore the remainder of the claim. So too here. ChargePoint’s patents claim entire machines. This includes a control device for enabling and disabling an electric charge, a transceiver for communicating with a remote server, and a controller that turns the power supply on and off in response to communications from the remote server. Pet. App. 9a. Taken together they make the invention fit comfortably within Section 101.

SemaConnect next asserts that the Petition errs in its description of the Federal Circuit’s decision. Opp. 22–23. But SemaConnect’s own description—no less than the Petition—illustrates the Federal Circuit’s conflict with *Diehr*. “The Federal Circuit *first* identified the abstract idea at issue and *then* looked to the specification to ascertain the ‘focus’ of ChargePoint’s patents,” concluding that they are directed to an abstract idea because network capabilities solved the

² See Corrected Brief for ChargePoint, Inc. at 42, *ChargePoint, Inc. v. SemaConnect, Inc.*, 920 F.3d 759 (Fed. Cir. 2019) (No. 2018-1739), 2018 WL 2023220; Fed. Cir. J.A. at Appx809.

“problem perceived by the patentee.” *Id.* In other words, the Federal Circuit asked whether the inventive aspect of the claim—the “new” problem-solving element—is the abstract idea and ignored the remainder of the claim elements. That is precisely what *Diehr* held to be improper. “It is inappropriate to dissect the claims into old and new elements and then to ignore the presence of the old elements in the analysis.” 450 U.S. at 188.

b. SemaConnect’s opposition not only confirms the Federal Circuit’s conflict with the second aspect of *Diehr*, but also it does nothing to undermine the conflict that the Petition showed with respect to the first aspect. As ChargePoint demonstrated, the Federal Circuit’s decision conflicts with *Diehr*’s holding that involving or incorporating an abstract idea into a machine does not render that invention patent ineligible. Pet. 18–20.

SemaConnect contends that “ChargePoint mischaracterizes the Federal Circuit’s decision” because the court below “acknowledged that ‘involv[ing]’ an abstract idea is ‘not enough.’” Opp. 16 (alteration in original). But to conclude that ChargePoint’s claims do more than “involve” an abstract idea, the Federal Circuit contravened *Diehr*’s directive not to dissect old and new elements of the claims. Pet. 20–21; see *supra* 3–6. Without that erroneous step, the claims merely “involv[e]” an abstract idea, and the Federal Circuit’s holding that such claims are patent ineligible simply conflicts with *Diehr*.

SemaConnect then asserts that the Federal Circuit’s decision here is consistent with *Diehr*. Opp. 16–17. It says that the claim in *Diehr* “did not merely present the abstract mathematical formula,” but rather, when read as a whole, was “an innovative molding process from start-to-finish.” *Id.* at 17. ChargePoint’s claims,

however, like those in *Diehr* consist of a start-to-finish system—electric-vehicle charging stations with networking capabilities. SemaConnect’s contrary views rest entirely on, yet again, reading the claims contrary to *Diehr*’s instruction. SemaConnect contends that “ChargePoint simply took a the [sic] abstract idea of network control and added it to a generic electric vehicle charging station.” *Id.* But that reading of the claims is no different than the one the dissent gave in *Diehr*, which would have focused on a new programming method as applied to “a familiar process.” 450 U.S. at 193 n.15 (emphasis added). The majority rejected that view, and the Federal Circuit’s refusal to do the same here conflicts with *Diehr*.

SemaConnect next argues that this Court’s decision in *Parker v. Flook*, 437 U.S. 584 (1978), “is especially on point” and supports the Federal Circuit’s decision. Opp. 17. Once again, SemaConnect is wrong. As the Court in *Diehr* explained, the claims in *Flook* “were drawn to a method for computing an ‘alarm limit,’” which was “simply a number.” 450 U.S. at 186. All the patent disclosed was “a formula for computing an updated alarm limit,” without any other variable, or discussion of the processes or means of setting off an alarm. *Id.* at 186–87. Here, in contrast, ChargePoint’s claims, when read as a whole, disclose an entire electric-vehicle charging system with particular capabilities. They do not claim a mathematical formula devoid of context, nor purport to monopolize “network communication” writ large.

For this same reason, ChargePoint’s claims are entirely unlike those in *Morse*. See Opp. 20. There, this Court held invalid a claim that purported to monopolize the results of electro-magnetism “however developed.” *O’Reilly v. Morse*, 56 U.S. (15 How.) 62, 112

(1854). Provided electro-magnetism was used, “it matter[ed] not by what process or machinery the result is accomplished.” *Id.* at 113. But none of ChargePoint’s claims purports to monopolize network communication—or some other abstract idea—“however developed.” Rather, they include—“involve,” as the Federal Circuit put it—networking capabilities as one element of a larger machine for charging electric vehicles.

SemaConnect also asserts that “ChargePoint’s claims parallel the claims held ineligible in *Alice*” because they consist of the “abstract idea of network control” and the “instruction to ‘apply it’ to a particular technological environment.” Opp. 14. That is nonsense. First, SemaConnect’s argument rests on its erroneous characterization of ChargePoint’s claims. See *supra* 3–6. The claims do not merely say to apply the idea of network communication. They recite specific electric-vehicle charging stations with certain built-in capabilities. Second, *Alice*’s prohibition against a mere instruction to apply an abstract idea flowed from the unique nature of “generic computers” and this Court’s cases in *Gottschalk v. Benson*, 409 U.S. 63 (1972), and *Flook*, which held that implementing an abstract idea on a generic computer does not make that idea patentable. *Alice*, 134 S. Ct. at 2357–58. This Court has not suggested that the concerns motivating its precedent on generic computers applies to any other “technological environment,” nor is there reason to believe that they may. And if the Court were to take that position, it would essentially write the term “machine” in Section 101 out of existence.

The Federal Circuit’s conflict with *Diehr* cannot stand.

II. THIS CASE IS A PROPER VEHICLE TO RECONSIDER THE NON-STATUTORY EXCEPTION TO SECTION 101.

Section 101 jurisprudence is a mess. The case law under *Alice* lacks any consistency or predictability. Pet. 25–30; see *id.* at 2 & nn.1–2. The official position of the United States is that the “confusion created by this Court’s recent Section 101 precedents warrants review.” *Hikma* Br. 8; accord *Berkheimer* Br. 10; *Trading Techs.* Br. 13–14. And the Federal Circuit’s decision in this case serves only to worsen this confusion. Pet. 26–30. The time has come to reconcile the Court’s exception to Section 101 with the textual command of that statute. Pet. 23–24.

SemaConnect does not even attempt to suggest that there is consistency or predictability under Section 101. Rather, it argues that the issue should be left to Congress or that this case is not the proper vehicle for considering it. Neither argument is availing.

a. SemaConnect asserts that “[a]ny [r]e-[e]valuation of Section 101 [s]hould [b]e [r]eserved [f]or Congress” rather than resolved by this Court. Opp. 29–31. But this issue is one uniquely for the judiciary. Congress has already weighed in on the issue by broadly declaring that “[w]hoever invents ... any new and useful ... machine ... or any new and useful improvement thereof” may obtain a patent. 35 U.S.C. § 101. And as the United States has explained, the confusion and uncertainty currently running rampant under Section 101 stems from the implicit exception created by the judiciary, not the text of Section 101 itself. *Hikma* Br. 4–5; *Berkheimer* Br. 4–6; *Trading Techs.* Br. 4–6. In sum, the problem is of this Court’s making, and it should provide the solution by faithfully applying the text.

b. SemaConnect finally contends that this case is not the proper vehicle for the Court to address Section 101. Opp. 25–29. Its arguments are meritless.

SemaConnect argues at the outset that this case presents “a fact-bound dispute.” Opp. 24–25. But saying that does not make it so. The case law under Section 101 is currently inconsistent and unpredictable. And as the United States has explained, that inconsistency stems from the Court’s departure from the text of Section 101. This case presents an ideal case for the Court to recommit patent eligibility to the text of Section 101. That is because ChargePoint’s inventions fall well within the text of the statute—they are “new and useful ... machine[s]” or at least “new and useful improvement[s]” to machines. 35 U.S.C. § 101; Pet. 21, 23–24. SemaConnect argues that recitation of a “machine” does not automatically confer patent eligibility, Opp. 18–19, but the scope of Section 101 as it applies to a machine and its improvements is anything but fact bound.

SemaConnect makes the erroneous assertion that preemption concerns make this an inappropriate vehicle. Opp. 25–29. First, many of its arguments rest on its characterization of ChargePoint’s patents, which as explained above conflict with *Diehr*. See *supra* 3–6. Adhering to *Diehr* would dispose of SemaConnect’s concerns. Second, SemaConnect’s arguments largely take issue with the patent monopoly itself. And it thus puts the cart before the horse. The scope of infringement has not been adjudicated because the district court resolved the case at the very outset on Section 101 grounds. The sole issue is the appropriate test and scope of patentability under Section 101. ChargePoint’s claims fall well within the text and history of what the Patent Act was designed to protect, making

this an appropriate case for the Court to take up this issue.

Indeed, the Court may wish to do so in conjunction with the petition presented in *Athena Diagnostics, Inc. v. Mayo Collaborative Services, LLC*, No. 19-430 (U.S. filed Oct. 1, 2019). SemaConnect says that this case is unlike *Athena*, Opp. 30, but considering this case alongside *Athena* would provide the Court with an opportunity to consider Section 101 in distinct technological contexts, which would provide critical guidance to the Federal Circuit.³

CONCLUSION

For these reasons and those in the petition, the petition should be granted.

Respectfully submitted,

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³ In any event, if the Court grants certiorari in any of the Section 101 petitions currently pending before the Court, then it should hold this petition pending the final disposition of any such petition and dispose of this case as appropriate in light of the Court's ultimate decision on the merits.