

No. 19-597

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IN THE  
**Supreme Court of the United States**

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MORRIS REESE,

*Petitioner,*

*v.*

SPRINT NEXTEL CORPORATION,  
TRACFONE WIRELESS, INC., VERIZON WIRELESS  
SERVICES LLC, AT&T MOBILITY II LLC,  
AND T-MOBILE USA, INC.,

*Respondents.*

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

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**BRIEF IN OPPOSITION OF RESPONDENTS  
SPRINT NEXTEL CORPORATION, *et al.***

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*(For Continuation of Appearances See Inside Cover)*

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## QUESTION PRESENTED

Whether the panel's decision correctly and consistently applied this Court's two-step framework in first determining that the claimed two-step information signaling method is directed to an abstract idea and then determining whether tying such a method to known telephone network components recites "significantly more" than well-known, routine, and conventional elements?

## **RULES 24(B) AND 29.6 STATEMENT**

AT&T Mobility II LLC is a limited liability company organized under the laws of the State of Delaware with its principal place of business located at 1025 Lenox Park Blvd., Atlanta, GA 30319. AT&T Mobility II LLC hereby states the following are the owners of AT&T Mobility II LLC:

1. AT&T Mobility LLC – Delaware limited liability company. Principal Place of Business: 1025 Lenox Park Blvd., Atlanta, GA 30319

2. BellSouth Mobile Data, Inc. – Georgia corporation. Principal Place of Business: 1025 Lenox Park Blvd., Atlanta, GA 30319

3. AT&T Corp. – New York corporation. Principal Place of Business: One AT&T Way, Bedminster, New Jersey 07921

None of the companies listed above are publicly traded companies. All of the companies listed above are subsidiaries of AT&T Inc. AT&T Inc. is a publicly traded company, and there is no one person or group that owns 10% or more of the stock of AT&T Inc.

Sprint Corporation directly owns 100% of the stock in Sprint Communications, Inc. and indirectly 100% of Sprint Spectrum L.P. SoftBank Group Corp. owns 10% or more of Sprint Corporations stock.

TracFone Wireless, Inc. is owned by AMX USA Holding, S.A. de C.V., which is owned by Sercotel, S.A. de C.V., which is a subsidiary of América Móvil, S.A.B. de C.V., a publicly held foreign corporation.

Reese incorrectly named Verizon Wireless Services, LLC as a defendant. The real party in interest is Cellco Partnership d/b/a Verizon Wireless. Cellco Partnership d/b/a Verizon Wireless is a general partnership formed under the laws of the State of Delaware with its principal place of business located at 1 Verizon Way, Basking Ridge, NJ, 07920. The following partners have greater than five percent interest in Cellco Partnership d/b/a Verizon Wireless:

1. Bell Atlantic Mobile Systems LLC – a Delaware limited liability company with its principal place of business in New Jersey, and is indirectly, wholly owned by Verizon Communications Inc. Bell Atlantic Mobile Systems LLC's is a wholly owned subsidiary of MCI Communications Services, Inc., a Delaware corporation with its principal place of business in New Jersey.

2. GTE Wireless LLC – Delaware limited liability company with its principal place of business in New Jersey and is a wholly owned subsidiary of GTE LLC, a Delaware limited liability company with its principal place of business in New Jersey. GTE Wireless LLC is indirectly, wholly owned by Verizon Communications Inc.

3. Verizon Americas Inc. – Delaware corporation with its principal place of business in New Jersey. Verizon Americas Inc. is indirectly, wholly owned by Verizon Communications Inc

4. GTE Wireless of the Midwest Incorporated – Indiana corporation with its principal place of business in New Jersey and is a wholly owned subsidiary of Verizon Americas Inc. GTE Wireless of the Midwest Incorporated is indirectly, wholly owned by Verizon Communications Inc.

None of the companies listed above are publicly traded companies. All of the companies listed above are subsidiaries of Verizon Communications Inc.. Verizon Communications Inc. is a publicly traded company, and there is no one person or group that owns 10% or more of the stock of Verizon Communications Inc..

T-Mobile USA, Inc., a Delaware corporation, is a wholly-owned subsidiary of T-Mobile US, Inc., a Delaware corporation. T-Mobile US, Inc. (NASDAQ: TMUS) is a publicly-traded company listed on the NASDAQ Global Select Market of NASDAQ Stock Market LLC (“NASDAQ”). Deutsche Telekom Holding B.V., a limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) organized and existing under the laws of the Netherlands (“DT B.V.”), owns more than 10% of the shares of T-Mobile US, Inc. DT B.V. is a direct wholly-owned subsidiary of T-Mobile Global Holding GmbH, a Gesellschaft mit beschränkter Haftung organized and existing under the laws of the Federal Republic of Germany (“Holding”). Holding, is in turn a direct wholly-owned subsidiary of T-Mobile Global Zwischenholding GmbH, a Gesellschaft mit beschränkter Haftung organized and existing under the laws of the Federal Republic of Germany (“Global”). Global is a direct wholly-owned subsidiary of Deutsche Telekom AG, an Aktiengesellschaft organized and existing under the laws of the Federal Republic of Germany (“Deutsche Telekom”). The principal trading market for Deutsche Telekom’s ordinary shares is the trading platform “Xetra” of Deutsche Börse AG. Deutsche Telekom’s ordinary shares also trade on the Frankfurt, Berlin, Düsseldorf, Hamburg, Hannover, München and Stuttgart stock exchanges in Germany. Deutsche Telekom’s American Depositary Shares (“ADSs”), each

representing one ordinary share, trade on the OTC market's highest tier, OTCQX International Premier (ticker symbol: "DTEGY").

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## INTRODUCTION

The asserted claims of Mr. Morris Reese’s (“Reese”) patent provide call waiting information to a subscriber using two steps that are implemented by known components of a telephone network. The Court of Appeals for the Federal Circuit correctly affirmed the district court’s invalidity decision based on a straightforward application of this Court’s prior case law addressing the bounds of patent eligibility.

While Reese criticizes the Federal Circuit’s reasoning as “conflat[ing] the two distinct steps of the *Alice* inquiry,” pet. at i, Reese himself confuses the *Alice* analysis. He incorrectly cites the Federal Circuit’s second step analysis, while implying that the panel relied on it for the first step. The opinion followed *Alice* by focusing first on whether “[t]he claims are directed to the abstract idea.” 9a.

Reese also criticizes the Federal Circuit for making a “determination of a material fact.” Pet. at 14-15. That characterization, however, directly contradicts his previous statement to the district court “that there are no disputed issues of material fact relevant to Defendants’ Motion for Summary Judgment under 35 U.S.C. § 101.” 17a. Reese also departs from his positions below by attempting to resurrect the claim he chose to abandon during the case (claim 6) by focusing on its eligibility rather than that of the claims at issue.

Reese’s confusion of this Court’s *Alice* analysis, Reese’s confusion of the distinct requirements of patent eligibility in comparison to novelty and non-obviousness, and Reese’s new and contradictory positions before this Court make this case a poor vehicle for the requested reassessment of the first *Alice* step.

## LEGAL BACKGROUND

35 U.S.C. § 101 sets forth categories of subject matter covered by the Patent Act:

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.

This Court has long interpreted Section 101 to “contain[] 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, 216 (2014). Granting patents on these “basic tools of scientific and technological work” “might tend to impede innovation more than it would tend to promote it.” *Id.* (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 589 (2013) and *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 71 (2012)).

The Court established a two-step framework in *Mayo* and *Alice*. Under Step One, it “determine[s] whether the claims at issue are directed to . . . patent-ineligible concepts,” such as “abstract ideas.” *Id.* at 217. Abstract ideas include “building block[s] of the modern economy” and “method[s] of organizing human activity.” *Id.* at 220. Under Step Two, it “consider[s] 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 217-218. Step Two asks whether the claim includes an “inventive concept” that ensures “‘the patent in practice amounts to significantly more than a patent upon’” an abstract idea. *Id.* (quoting *Mayo*, 566 U.S. at 72-73, 78-79). Eligibility however is not met by merely limiting the abstract idea “‘to a particular technological

environment,” by reciting “a mere instruction to ‘implemen[t]’ an abstract idea ‘on . . . a computer,’” or by adding “‘well-understood, routine, conventional activities’ previously known to the industry.” *Id.* at 223 (quoting *Bilski v. Kappos*, 561 U.S. 593, 610-11 (2010) and *Mayo*, 566 U.S. at 72-73, 78-79), 225 (quoting *Mayo*, 566 U.S. at 73) (alternations omitted).

## STATEMENT OF THE CASE

### A. THE PATENT-IN-SUIT

U.S. Patent No. 6,868,150 (“the ’150 patent”) relates to the information sent across a telephone network. Certain claims, *e.g.*, claims 1-6, are directed to a three-step method of sending signals that represent a “call waiting (CW) tone signal” and the “directory telephone number (DN)” of a caller to a telephone network subscriber. Those three steps are: (a) sending a directory telephone number (DN) to a terminating central office; (b) sending a call waiting (CW) tone signal to the subscriber; and then (c) sending the telephone number (DN) to the subscriber. ’150 patent col. 8, ll. 2-42. The ’150 patent refers to that third step, the subscriber’s functionality of receiving the DN of a caller, as “Caller ID.”

However, the only two remaining asserted claims (Claims 23 and 32) of the ’150 patent cut out that third step. They do not send the telephone number (DN) to the telephone subscriber. Instead, claims 23 and 32 recite methods comprised of only two steps:

23. A method for indicating to a first party who subscribes to a Custom Local Area Signaling System (CLASS) service including Caller Identification (Caller ID) and who is engaged in a

telephone call conversation with a second party an incoming call from a third party calling a telephone number of the first party, comprising the steps of:

(a) receiving at a terminating central office (TCO) of the first [sic] party who subscribes to said CLASS service including said Caller ID and who is engaged in the telephone conversation with the second party the third party directory telephone number (DN) flagged as private from an originating central office of the third party, indicating that said DN of the third party is not to be disclosed at the first party called station; and

(b) said TCO then sending a call waiting (CW) tone signal to the first party, said CW tone signal indicates to the first party the incoming call from the third party.

....

32. A method for sending a call waiting (CW) tone signal only to a first party who subscribes to a Custom Local Area Signaling System (CLASS) service including Caller Identification (Caller ID) and who is engaged in a telephone conversation with a second party, comprising the steps of:

a) receiving at a terminating central office (TCO) of the first party who subscribes to said CLASS service including said Caller ID and who is engaged in the telephone conversation with the second party a calling third party directory telephone number (DN) flagged as private from

an originating central office of the calling third party indicating that said received DN of the calling third party is not to be disclosed at the first party called station; and

(b) said TCO then sending said CW tone signal to the first party.

'150 patent col. 10 l. 15–col. 11 l. 26.

Those two claims include only the call waiting step. They do not perform the third step of providing caller ID.

## **B. THE PARTIES AND THE UNDERLYING DISPUTE**

Reese filed the underlying complaints, alleging that Respondents infringed the '150 patent by providing call-waiting and caller-ID services. Originally, Reese asserted claims 6, 23, and 32 of the '150 patent, but he later withdrew claim 6 – the three-step claim that included providing the caller ID to the telephone subscriber. *See* Opening Br. 4 & n.1. Thereafter, defendants Sprint Nextel Corporation, TracFone Wireless, Inc., Verizon Wireless Services, LLC, AT&T Mobility II LLC, and T-Mobile USA, Inc. moved for summary judgment that Claims 23 and 32 were patent ineligible under 35 U.S.C. § 101. Reese opposed but agreed in briefing that there were no disputed issues of material fact raised by the summary judgment motion. *See* 17a.

The district court granted summary judgment for the defendants, finding both Claims 23 and 32 invalid for claiming patent ineligible subject matter.

### C. THE DECISION BELOW

Reese appealed the district court's decision, but a unanimous panel of the Federal Circuit affirmed. The panel analyzed both Claims 23 and 32 and concluded that those claims recited patent ineligible subject matter.

Under Step One, the panel analyzed Reese's own characterization of the "purpose" of the claims: "to indicate to a subscriber to both call waiting and caller ID, who is already engaged in a call, using an audible tone signal, the existence of an incoming call from a third party whose directory telephone number has been flagged as private." 9a. The Federal Circuit held that "[b]y Reese's own terms, this identified purpose of the claims is abstract." 9a.

As the panel explained:

The claims are directed to the abstract idea of receiving information (a calling phone number flagged as private) and sending an indication (an audible tone) to a party already engaged in a call. The claims do not recite any particular method of receiving the information and sending the indicating tone in response. The claims here are akin to concepts of receiving and displaying (indicating) information (an incoming call from a private number) that fall into a familiar class of claims directed to abstract ideas. Although Reese argues that the claims require specific telephone features, merely limiting claims to a particular technological environment does not render the claims any less abstract.

9a-10a (internal citations omitted).

As for Step Two, the panel analyzed the claimed limitations, both individually and as an ordered combination, but concluded that the claims recited

nothing more than the performance of the abstract steps on conventional telephone network equipment:

Yet despite Reese’s assertion, the claims at issue only recite steps that the ’150 patent itself describes as prior art: sending a call waiting signal when a phone number is flagged as private. And by the ’150 patent’s own terms, the claims do not recite any nonconventional equipment. Further, the claims recite functional language lacking “any requirements for how the desired result is achieved.”

11a (internal citations omitted).

The Federal Circuit rightly concluded that the performance of abstract steps (receiving and sending information in the form of signals) on known telephone equipment was “not enough for patent eligibility.” 11a.

Based on this analysis, the Federal Circuit affirmed the District Court’s decision invalidating Claims 23 and 32 of the ’150 patent. 11a. Reese filed a petition for rehearing *en banc*, which the Federal Circuit denied. *Reese v. Sprint Nextel Corp.*, Appeal No. 2018-1971, Dkt. 70 (Fed. Cir. Aug. 8, 2019).

The four judges to consider the matter have agreed that the claims-at-issue are ineligible for patent protection under *Alice*’s two-step framework and longstanding precedent. No judges dissented in denying Reese’s petition for rehearing *en banc*.

## **REASONS FOR DENYING THE PETITION**

### **I. THE DECISION BELOW CORRECTLY APPLIED THIS COURT’S TWO-STEP FRAMEWORK ON ELIGIBILITY**

The Federal Circuit correctly applied this Court’s two-step framework on eligibility set forth in *Mayo* and *Alice*,

evaluating whether the only two method claims remaining at issue were “directed to” an abstract idea and, if so, recited an “inventive concept” that amounted to “significantly more” than a patent on the abstract idea itself.

Under *Alice* Step One, the Federal Circuit “consider[ed] whether the character of the claims in their entirety is directed to a patent-ineligible concept.” 9a. It evaluated the language of Claims 23 and 32 and the overall “purpose” of the claims, as described by Reese, which was “to indicate to a subscriber to both call waiting and caller ID, who is already engaged in a call, using an audible tone signal, the existence of an incoming call from a third party whose directory telephone number has been flagged as private.” 9a. While Reese now argues that the panel “failed to correctly articulate the character of Reese’s asserted claims,” Pet. 12, the panel actually based its analysis on “Reese’s own terms,” and held that those terms indicated that the “purpose of the claims is abstract.” 9a. In doing so, the panel gave Reese the same benefit of the doubt that the district court had conferred when it determined that the two claims were directed to an abstract idea “[e]ven accepting this purpose as stated by Plaintiff.” 27a.

Nor does Reese identify any construction of particular claim language that he championed before the district court that would affect the panel’s analysis. The district court found that “Claims 23 and 32 simply add conventional telecommunications components to the well-known telephone practice of interrupting a call to let one of the parties know that another person is trying to call them, and are directed to an abstract idea.” 28a. It did so based on the simple nature of the claims that “concern relatively nontechnical concepts of telephone services.” 24a.

With four unanimous judges having assumed for purposes of patent eligibility Reese’s own statement of the claims’ purpose, there can be no error in the manner with which the panel “articulate[d] the character” of the claims. *See* Pet. 12. Instead, the judges below evaluated whether those claims were directed to an abstract idea based on the nontechnical concepts they recite as articulated by Reese himself.

Nor did the panel err in looking at the character of the claim language and determining that the two claims recited an abstract idea. Under Step One, the panel held that “[t]he claims are directed to the abstract idea of receiving information . . . and sending an indication . . . to a party already engaged in a call.” 9a-10a. The Federal Circuit’s conclusion that this “familiar class” of ideas—the “concepts of receiving and displaying . . . information”—are abstract is grounded in this Court’s instruction that (1) “[i]nformation as such is an intangible,” *Electric Power Group, LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (citing *Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 451 n.12 (2007)); and, consequently, (2) “collecting information, including when limited to particular content (which does not change its character as information), [is] within the realm of abstract ideas,” *id.* (citing *Mayo*, 132 S. Ct. at 1301; *Parker v. Flook*, 437 U.S. 584, 589–90 (1978); and *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972)).

That logic applies to Reese’s two claimed steps of receiving intangible information and sending an intangible signal to trigger an audible call-waiting signal (which is also intangible). Indeed, the Federal Circuit has reasoned that “merely presenting the results” of abstract information analysis is ancillary to the abstract idea. *Id.* at 1354.

The Federal Circuit is familiar with claims like these, which correspond to “the nontechnical human activity of

passing a note to person who is in the middle of a meeting or conversation.” *Interval Licensing LLC v. AOL, Inc.*, 896 F.3d 1335, 1344 (Fed. Cir. 2018). Claims 23 and 32 invoke the nontechnical human activity of alerting someone in the middle of a phone call or conversation that another person wishes to speak to him. *See* 10a. Those claims are akin to the claims considered by the Court in *Alice* and in *Bilski v. Kappos*, 561 U.S. 593, 612 (2010), directed to the abstract ideas of intermediated settlement (*Alice*) and risk hedging (*Bilski*), both “method[s] of organizing human activity” and a “fundamental economic practice long prevalent in our system of commerce.” *Alice*, 573 U.S. at 220 (quoting *Bilski*, 561 U.S. at 611).

The panel also concluded under Step One that Reese’s attempt to “limit[] claims to a particular technological environment”—“specific telephonic features”—does not make them less abstract. Doing so was a straightforward application of this Court’s well-established law “that the prohibition against patenting abstract ideas cannot be circumvented by attempting to limit the use of the idea to a particular technological environment.” *Alice*, 134 S. Ct. at 2358; *see also Mayo*, 132 S. Ct. at 1294; *Bilski*, 561 U.S. at 612; *Diamond v. Diehr*, 450 U.S. 175, 191 (1981); *Parker v. Flook*, 437 U.S. 584 (1978).

Reese admits that the claims here do no more than send a signal from a central office to a person on a call, in response to receiving information at that office. Pet. 13; *see also* Pet 12 (claims “as a whole” implement “non-human signaling activities at the telephone or cellular company terminating central office switching equipment”). Although Reese places great emphasis on the particular telephonic environment in which the claimed steps receive and send information, the fact that Reese’s claims may be tied to physical telephone technology “is beside the point.” *Alice*, 134 S. Ct. at 224.

Reese argues that “a clear standard for what constitutes an ‘abstract idea’ has remained elusive,” and that “lower courts are sorely in need of guidance.” Pet. 2-3. However, none of the four judges to have considered Claims 23 and 32 had any trouble concluding that they recite abstract concepts. The panel’s decision reflects consistent application of this Court’s uniform precedent on abstractness and that nonprecedential decision certainly does not muddy the waters of patent eligibility.

## **II. THE DECISION BELOW PROPERLY ADDRESSED STEPS ONE AND TWO SEPARATELY**

Reese faults the Federal Circuit for affirming the invalidation of his claims by concluding that they are directed to an abstract idea. Reese contends that the panel determined the claims were abstract under Step One “because they consist of ‘generic’ and ‘conventional’ elements.” Pet. 3. According to Reese, the court “effectively skipped step one” (Pet. 13) and “improperly collapsed the two-step inquiry into a single determination of what is routine and/or conventional” (Pet. 13-14). Reese even claims that the panel “found the asserted claims to be directed to an abstract idea *because they consist of generic and conventional elements* that fail to convert the abstract idea.” Pet. 16 (emphasis added).

However, Reese mischaracterizes the panel’s decision. In his criticism of the panel’s Step One analysis, Reese refers only to the portion of the panel’s decision on Step Two. Pet. 3 (citing 11a); *see also* Pet. 16 (citing 11a). As Reese himself acknowledges, whether the claims recited well-known, routine, or conventional elements is properly analyzed as part of Step Two. *See* Pet. 16. And only during its Step Two inquiry did the panel discuss what was routine and conventional. *See* 11a.

The panel therefore did not conflate the Step Two inquiry with Step One. Its Step One analysis made no

mention of what was routine or conventional. *See* 9a-10a. Instead, the panel properly applied this Court's precedent and focused on the overall "purpose" of the claim language, "the character of the claims in their entirety," determining that the claims were "directed to" a "familiar class" of abstract concepts: receiving and displaying information. *See* 9a-10a. It also concluded under Step One that Reese's attempt to "limit[] claims to a particular technological environment"—"specific telephonic features"—does not make them less abstract. Doing so properly applied this Court's well-established law "that the prohibition against patenting abstract ideas cannot be circumvented by attempting to limit the use of the idea to a particular technological environment." *Alice*, 134 S. Ct. at 2358; *see also Mayo*, 132 S. Ct. at 1294; *Bilski v. Kappos*, 561 U.S. 593, 612 (2010); *Diamond v. Diehr*, 450 U.S. 175, 191 (1981); *Parker v. Flook*, 437 U.S. 584 (1978).

Instead of conflating Steps One and Two, the panel reserved its discussion of what was well-known, routine, and conventional for Step Two. *See* 11a (analyzing conventionality in specification, claim language, and prior art). Reese does not identify any portion of the Step One analysis that discusses what was well-known, routine, or conventional in the prior art at the time the patent was filed or determines a question of fact.

And therein lies the clear flaw in Reese's argument. The panel cannot be said to have conflated the Step One "directed to" inquiry with Step Two's "well known, routine, and conventional" inquiry when *nowhere* in Step One did it discuss what was well-known, routine, and conventional. *See* 9a-10a.

### **III. THE DECISION BELOW DID NOT DETERMINE A MATERIAL FACT IN VIOLATION OF THE SUMMARY JUDGMENT STANDARD**

In addition to asserting flaws in the panel's Step One analysis, Reese also claims to find error in the panel's determination under Step Two that Claims 23 and 32 did not recite an inventive concept. Reese contends that the panel made an "improper factual determination that the claimed process steps are 'generic.'" Pet. 14. In particular, Reese points to an "April 1991 Bellcore Request for Information" (C.A. Appx. 0289) that he contends raised a disputed issue of fact that the claimed methods were unconventional.

The Bellcore document is a red herring for at least two reasons. First, the parties agreed before the District Court that there were no genuine disputes of material fact that precluded resolution of summary judgment. Reese stated in his portion of the Statement of Genuine Disputes of Material Facts and Conclusions of Law that there were no disputed issues of material fact raised by defendants' motion for summary judgment of patent ineligibility. See 17a. Reese never identified the Bellcore document to the district court as raising a factual issue relevant to its eventual judgment of patent ineligibility.

Second, Reese's newly-raised issue of fact relies on the Bellcore document being relevant to what he describes as the combination of Call Waiting and Caller ID. Pet. 14. However, the claims Reese appealed to the Federal Circuit do not include that combination because Reese himself chose to remove from this case the only claim that did. Reese's original complaint included claim 6, which does include a third step of sending one caller's number to another – Caller ID. However, Reese chose to drop that claim in favor of two claims that do not include the Caller ID step. Claims 23 and 32 state that the

subscriber has Caller ID service, but the actual Caller ID step is not included.

Reese had good reason to agree that summary judgment of patent ineligibility did not involve any material disputes of fact despite the Bellcore document. After all, Reese knew that he had already dropped the only claim to which that document might be relevant. For Reese to now push this issue in direct contradiction to his previous positions simply indicates the weakness of his stance in challenging the panel's decision.

Finally, again ignoring his previous concession that no genuine disputes of material fact are present, Reese makes a collateral attack on the panel's analysis by attempting an irrelevant comparison of "factual inquiries . . . in the context of a § 101 challenge" to the analysis a Court would conduct to evaluate invalidity on a different basis: obviousness under 35 U.S.C. § 103. Pet. 18. Unlike patent eligibility, the separate issue of patentability under Section 103 turns on the *Graham* factors, which are not present in an eligibility analysis. Those four factors include the level of ordinary skill in the pertinent art, the scope and content of the prior art, differences between the prior art and the claims at issue, and secondary considerations, such as commercial success and long felt but unsolved needs. *See Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966).

In assessing those factors, a Court does not ask whether one element of a claim was "conventional" or "generic," as Reese contends. *See id.* Moreover, even where elements exist prominently in the prior art -- and could be described as "conventional" or "generic" -- obviousness requires that there exist a reason to combine or modify different prior art teachings with a reasonable expectation of success. Those inquiries are simply different from the assessment of whether a patent falls

within one of the enumerated categories of patent eligibility.

While patent eligibility and nonobviousness are both conditions of patentability, neither is a precondition of the other. If a patent eligible claim were always nonobvious there would be no need for Section 103 and the opposite is true as well. There is no need to visit Reese's newly-proposed obviousness analysis and doing so would only confuse the two-step analysis used for Section 101.

**IV. THE DECISION BELOW PRESENTS A POOR VEHICLE FOR FURTHER EXPANDING UPON THE ABSTRACT IDEA EXCEPTION TO SECTION 101.**

Reese's asserted patent claims present an especially poor vehicle for expanding upon the judicial exceptions to patent eligibility and the abstract-idea analysis. For starters, four judges have uniformly agreed that Reese's claims are patent ineligible. This is not a case where any of the judges below considered the record to lack the "clarity and certainty" of an abstract idea that Reese so demands. Pet. ii. Regardless of whether "lower courts are sorely in need of guidance with respect to the application of *Alice* and *Mayo* as they relate to abstract ideas," Pet. 3, this case is not one with such a need.

Additionally, the panel analyzed abstractness based on Reese's own description of the function and purpose of the claims at issue. As a result, there is no preserved dispute over the level of generalization that courts should apply in determining the subject matter a claim is directed to. Instead, the panel appropriately made a case-specific (and patent-specific) adjudication. The decision below does not raise issues of broader application and would be a very poor vehicle for addressing them.

Reese’s only dispute here is with the details of the panel decision. The Federal Circuit consistently applied this Court’s and its own precedent that a method with two generic steps of receiving and sending intangible information is directed to an abstract idea, even as interpreted by the patentee, despite being performed on specific, physical equipment. *Alice* and *Mayo* provided all of the guidance necessary to resolve that narrow issue.

Indeed, this Court has recently denied certiorari on far closer cases of patent eligibility. *See, e.g., Athena Diagnostics, Inc. v. Mayo Collaborative Services, LLC*, Appeal No. 19-430 (Jan. 13, 2020); *HP Inc. v. Berkheimer*, Appeal No. 18-415 (Jan. 13, 2020); *Hikma Pharms. USA Inc. v. Vanda Pharms. Inc.*, Appeal No. 18-817 (Jan. 13, 2020); *Trading Techs. Int’l v. IBG LLC*, Appeal Nos. 19-353, 19-522 (Jan. 27, 2020); and *Chargepoint, Inc. v. Semacconnect, Inc.*, Appeal No. 19-521 (Jan. 27, 2020).

For example, *Athena* stemmed from a splintered Federal Circuit decision denying rehearing *en banc*. The 86-page order included eight separate opinions—four concurring with the *en banc* denial and four dissenting. While fractured, the decisions collectively reflected the Federal Circuit’s difficulty in applying this Court’s *Mayo* test to medical-diagnostic patents and request for this Court to “reconsider the breadth of *Mayo*.” *Athena Diagnostics, Inc. v. Mayo Collaborative Servs., LLC*, 927 F.3d 1333, 1339 (Fed. Cir. 2019) (Dyk, J., concurring); *see also Id.* at 1349 (Chen, J., concurring) (“[T]here is a serious question today in patent law as to what extent *Diehr* remains good law in light of *Mayo*. We are not in a position to resolve that question, but the Supreme Court can.”); *Id.* at 1370 (Newman, J., dissenting) (“Although

diagnostic methods are not the only area in which section 101 jurisprudence warrants attention, Federal Circuit precedent is ripe for reconsideration specific to diagnostic methods, to correct our application of the *Mayo* decision and to restore the necessary economic incentive.”); *Id.* at 1337 (Hughes, J., concurring) (“The multiple concurring and dissenting opinions regarding the denial of en banc rehearing in this case are illustrative of how fraught the issue of [Section] 101 eligibility, especially as applied to medical diagnostics patents, is . . . I, for one, would welcome further explication of eligibility standards in the area of diagnostics patents.”). Nevertheless, the Court denied certiorari. *See Athena Diagnostics, Inc. v. Mayo Collaborative Services, LLC*, Appeal No. 19-430 (Jan. 13, 2020).

This case is a markedly weaker vehicle for assessing patent eligibility law. First, where *Athena* reflects the Federal Circuit’s divisiveness and call-to-action, here the decision below reflects the uniform and unremarkable determinations of four unanimous judges that Reese’s claims are directed to patent ineligible abstract ideas. Second, *Athena* addressed questions of patent eligibility that were important across a category of “medical diagnostic patents,” while here there is no similar category of two-step signal handling methods that are important to the economy. The issues presented here are not close ones; nor does the technology at issue demand any special intervention by this Court.

Even if the abstract-idea test is “elusive,” as Reese contends (Pet. 2 & 16), this case is not the proper vehicle to elucidate that test. Although what is “routine” and “generic” may be questions of fact for Step Two, *see Berkheimer*, the Federal Circuit here did not conflate

what is routine and generic under Step Two with what is abstract under Step One. *See* Pet. 16. It properly conducted a Step-One analysis separate from the Step-Two evaluation of what is routine, well-known, and conventional. *See supra* Section II. And Reese agreed that there are no genuine issues of material fact on Step Two that would have resisted the tide. *See supra* Section III.

Therefore, even if this Court is inclined to elucidate the abstract-idea judicial exception for patent eligibility, it should await the right vehicle to do so. *Cf.* Brief of United States as Amicus Curiae, *HP Inc. v. Berkheimer*, Appeal No. 18-415, at 10 (arguing “[t]his case . . . would be an unsuitable vehicle to provide guidance” on the substantive standards for patent eligibility because “[t]he parties disagree as to what the claimed invention comprises”); Brief of United States as Amicus Curiae, *Hikma Pharms. USA Inc. v. Vanda Pharms. Inc.*, Appeal No. 18-817, at 8 (arguing “[t]his case . . . is not an optimal vehicle for bringing greater clarification because the court of appeals majority arrived at the correct result”).

In multiple respects, therefore, this case presents a poor vehicle for the Court to expand upon the abstract-idea judicial exception to patent eligibility under Section 101. Reevaluation of Section 101 should be reserved for Congress, or, alternatively, reserved for a more appropriate case.

This Court has rejected Reese’s chief contention that abstract ideas are limited to purely “mental activities.” Pet. 17-18. *See, e.g., Alice*. Reese presents no reason to revisit that principle. Instead, he resorts to confusing *Alice* Step Two with Step One. Pet. 18 (stating that it is

not abstract because it is "an inventive concept"). Doing so conflates this Court's well-established two-step framework.

**CONCLUSION**

Respondents respectfully request the Petition be denied.

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Respectfully submitted.

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