

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.*

—◆—  
**On Petition For Writ Of Certiorari  
To The United States Court Of Appeals  
For The Federal Circuit**

—◆—  
**REPLY BRIEF OF PETITIONER**  
—◆—

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**ARGUMENT**

Subsequent to the filing of the Petition in this case, the United States opined that the legal confusion surrounding the “framework articulated in the Court’s recent [35 U.S.C.] Section 101 decisions . . . warrants review in an appropriate case.” U.S. Br. 8, *Hikma Pharms. USA Inc. v. Vanda Pharms. Inc.*, No. 18-817 (U.S. Dec. 6, 2019) (“SG Br.”). The confusion stems in large part, according to the Solicitor General, from whether a proper patent-eligibility analysis under *Alice Corp. Pty. Ltd. v. CLS Bank International*, 573 U.S. 208 (2014) requires that a patent method’s utilization of routine, conventional technologies be disregarded in determining compliance with Section 101. In other words, does *Alice* require importation of Sections 102 (novelty) and 103 (non-obviousness) considerations into the Section 101 analysis? SG Br. 18-19. It should not, the Solicitor General opines, and the Court should clarify that it does not. SG Br. 8, 18-19.

This case presents an ideal vehicle to address the limited but vitally important question of whether all claim limitations matter in patent eligibility analysis. In other words, can the mere fact that steps of a patented method that employ previously-known technology negate that method’s patent-eligibility under Section 101?

Petitioner is mindful of how the Court has declined review in several cases raising Section 101 issues since the Solicitor General expressed his views on patent-eligibility in *Hikma*. Many of those denied

petitions raised important substantive and procedural questions concerning Section 101, but none presented such a clear, concise Federal Circuit application of *Alice* on that issue as this case, where the determination of patent-eligibility hinged on whether to consider or disregard uninventive claim limitations.

Indeed, the whole determination of eligibility of the patent-in-suit hinges on whether the Federal Circuit erred by importing Sections 102-03 considerations into its Section 101 analysis. Respondents in this case, the nation's largest wireless telecommunications carriers, have never sought summary judgment against Petitioner on Sections 102 or 103 grounds, even though it would have been advantageous for them to do so, had they been able to find any prior art that would cast doubt on the novelty or non-obviousness of Petitioner's invention.

Respondents make essentially two "poor vehicle" arguments: 1) The district court and Federal Circuit judges unanimously agreed that the patent-in-suit is ineligible subject matter under Section 101, and 2) Both courts correctly applied controlling law in rejecting *Alice* step two consideration of "routine, well-known, and conventional" steps. BIO 15, 18. Respondents thus completely sidestep the question of *whether* it is or should be controlling law to disregard all conventional technology when determining patent-eligibility under Section 101. They ignore altogether the Solicitor General's opinion that it is wrong to import Sections 102-03 considerations into the Section 101 analysis.

In recent years, the entire Federal Circuit bench, major industry groups, prominent legal scholars, and dozens of litigants have called on the Court to overrule, modify or clarify its most recent Section 101 jurisprudence. No single case could address all of their concerns. This case, however, could resolve what the Solicitor General cited as a root cause of much of that confusion. It could also resolve uncertainty over whether *Diamond v. Diehr*, 450 U.S. 175 (1981) remains good law, given its consideration of uninventive claim limitations in determining compliance with Section 101.

**I. This Case Presents the Court with an Ideal Vehicle to Address Whether It Is Proper to Import Sections 102-03 Considerations into a Section 101 Determination on Patent-Eligibility.**

Respondents contend that the “Court has recently denied certiorari on far closer cases of patent eligibility.” BIO 16. The cases Respondents cite raised a variety of important substantive and procedural questions concerning Section 101, but only one of the petitions in these cases (*Hikma*) even discussed whether it is proper to import Sections 102-03 considerations into the patent-eligibility determination, and *Hikma* would have been a poor vehicle to address that question. Petitioner presents an ideal vehicle through which to address this question.

**A. The Recent Petitions Raising Section 101 Issues That the Court Has Rejected Did Not Squarely Address Whether It Is Improper to Import Sections 102-03 Considerations into the Patent-Eligibility Determination.**

***Hikma***

Whether Sections 102-03 considerations should inform the Section 101 analysis was a secondary issue in the split-decision of *Hikma*, but the Solicitor General recommended denial of that petition because he agreed that the Federal Circuit “majority arrived at the correct result.” SG Br. 8. “The Court instead should provide additional guidance in a case where the current confusion has a material effect on the outcome of the Section 101 analysis.” *Id.* at 22.

Moreover, the Federal Circuit panel in *Hikma* had other important internal disagreements, such as the definition of “natural phenomena” and the proper analysis of both steps in the application of *Alice*. As the petitioner put it, “the three opinions below disagree not only about the result, but about nearly every aspect of the analysis.” *Hikma* Pet. 14. Respondents in this case note the unanimity of the four judges who determined patent-eligibility (BIO 15), but that observation only highlights the main virtue of this vehicle: the clarity of how all four judges understood controlling law to require the disregard of all prior art limitations in the Section 101 analysis. Unlike in *Hikma*, there were no judicial disagreements on other Section 101 questions in this case that might have complicated the issue of



whether the patent-eligibility outcome hinged on the relevance of prior art limitations.

### ***Athena***

The question presented in *Athena Diagnostics, Inc. v. Mayo Collaborative Services, LLC*, No. 19-430 (Jan. 13, 2020) remains of tremendous importance to the medical diagnostics industry, but it does not directly address whether prior art limitations inform the Section 101 analysis: “Whether a new and specific method of diagnosing a medical condition is patent-eligible subject matter, where the method detects a molecule never previously linked to the condition using novel man-made molecules and a series of specific chemical steps never previously performed.” *Athena Pet. i.*

### ***Berkheimer***

*HP Inc. v. Berkheimer*, No. 18-415 (Jan. 13, 2020) raised the question of whether jury fact-finding can be a proper component of a Section 101 determination: “The question presented is whether patent eligibility is a question of law for the court based on the scope of the claims or a question of fact for the jury based on the state of the art at the time of the patent.” *HP Pet. i.* The Solicitor General recommended denying review in that case, opining that answering this procedural question would be “premature.” *U.S. Br. 14* (Dec. 6, 2019). The Court should first “grant review in an appropriate case to clarify [patent-eligibility] substantive standards” and “the proper methodology for

determining whether a particular patent implicates” an exception to patentable subject matter. *Id.* at 13-14.

### ***Trading Techs. Int’l***

The petitioner in *Trading Techs. Int’l v. IBG LLC*, Nos. 19-353, 19-522 (Jan. 27, 2020) asked the Court to consider “[w]hether computer-implemented inventions that provide useful user functionality but do not improve the basic functions of the computer itself are categorically ineligible for patent protection.” *Trading Techs. Pet. i.* It also asked the Court to eliminate the “abstract idea” exception to patent-eligibility altogether. *Id.* That was a bridge too far for the Solicitor General, who recommended denial on the grounds that the claims at issue are unpatentable under the Court’s pre-*Bilski* jurisprudence, and that there is no sound reason to question the “abstract idea” exception, categorically. U.S. Br. 21-22 (Dec. 18, 2019).

### ***Chargepoint***

*Chargepoint, Inc. v. Semacconnect, Inc.*, No. 19-521 (Jan. 27, 2020) presented two questions: “Whether a patent claim to a new and useful improvement to a machine or process may be patent eligible even when it ‘involves’ or incorporates an abstract idea.” and “Whether the Court should reevaluate the atextual exception to Section 101.” *Chargepoint Pet. i.* The petition did not even cite to Sections 102 or 103, much less discuss whether it is improper to import Sections 102-03

considerations in determining compliance with Section 101.

To be clear, Petitioner agrees with all of the petitioners in the above-cited cases that there is a pressing need for the Court to clarify the substance and procedure of a proper Section 101 determination. Still, this is the first case presented to the Court since the Solicitor General expressed his opinion in *Hikma* that squarely presents the more limited Sections 102-03 sub-issue, and in a case where resolution of the question in Petitioner's favor would correctly reverse the decision of the court of appeals. Petitioner believes that the Solicitor General would agree on that point, if asked for his views.

**B. The Court of Appeals Decision in This Case Cleanly and Clearly Presents the Question of Whether It Is Proper to Consider Prior Art Limitations of a Patent Claim in the Determination of Patent-Eligibility under Section 101.**

Now consider the present case. Sending a call waiting tone signal to a caller ID subscriber during a phone conversation, through a phone carrier's terminating central office, and indicating to that caller that the phone number of the incoming call is flagged as private by the incoming caller's originating central office, is not an abstraction. It is a set of physical steps (*i.e.*, electronic signals are a process rooted in physics), designed to improve the quality of telephone

conversations. With this invention, a telephone user is able to make a more informed choice about whether to interrupt the current conversation in order to take the incoming call. At no point in this litigation has any of these industry-leading wireless carriers provided any evidence that this invention was anticipated or is an obvious improvement over older technology.

And yet, the court of appeals gave short, dismissive treatment of Petitioner’s invention based on its understanding of what *Alice* and the Federal Circuit’s interpretation of it required of the panel:

Reese does not point to any **non-generic** telephone network components and instead, asserts that “no successful combination of caller ID and call waiting yet existed” and that his “combination of **known** switching equipment with the steps set forth” in the claims removes them from abstractness. Appellant Br. 34-35. 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 **non-conventional** equipment. . . . Nothing in the claims requires anything other than **conventional** telephone network equipment to perform the **generic** functions of receiving and sending information. Reciting an abstract idea and applying it on telephone network equipment is not enough for patent eligibility. *See Alice*, 573 U.S. at 223. Accordingly,

the claims do not contain an inventive concept.

Pet. 10a-11a (emphasis added).

No court of appeals decision could present a more succinct and clear illustration of the importation of Sections 102-03 considerations into a Section 101 patent-eligibility analysis.

## **II. Whether It Is Proper to Import Sections 102-03 Considerations into a Proper Section 101 Analysis Determines the Outcome of this Case.**

### **A. *Diamond v. Diehr* Teaches That Prior Art Limitations Are Relevant in the Section 101 Determination.**

As the above block-quotation of its decision reveals, the Federal Circuit completely disregarded all prior art limitations in step two of its application of *Alice*. That is precisely what this Court did *not* do in *Diamond v. Diehr*, 450 U.S. 175 (1981).

In *Diehr*, the claimed process included use of known computer and temperature-measurement technology, as well as a mathematical formula that had long been used in the rubber-curing industry. *Id.* at 177-78. The only claimed point of novelty was the use of frequent temperature-reading inside the mold and the input of these readings into known computer technology, programmed to make calculations. *Id.* at 178-79.

It is difficult to imagine *Diehr*'s claimed invention surviving the Federal Circuit's current one-two punch

based on its understanding of what *Alice* requires. The invention would be considered directed to the “abstract idea” of constantly measuring the temperature inside a rubber mold under step one. In step two, the use of a thermometer, programmed computer to generate signals, and a mathematical formula would all be disregarded as either old technology or the abstract idea itself that does not convert a claimed “abstract idea” into a patentable method.

The steps of using conventional rubber-curing technology in *Diehr* did not transform an unpatentable “abstract idea” into a patent-eligible method for curing rubber, but they did inform the analysis of whether “the process as a whole” was directed to “unpatentable subject matter.” *Id.* at 187. Under the Federal Circuit’s application of *Alice*, every step in the *Diehr* claims would be disregarded except for the novel step of constantly measuring the temperature inside of a rubber mold, and arguably that one, too.

**B. The Patent-in-Suit Complies with Section 101 if the Solicitor General Is Correct, and if *Diamond v. Diehr* Is Still Good Law.**

With both the claims at issue in *Diehr*, and with Petitioner’s claims, one cannot even fully understand the inventions without considering the uninventive limitations of the claims. Constantly measuring the temperature inside of a rubber mold employed no novel technology in *Diehr*. 450 U.S. at 178. Neither does sending an electronic signal to inform one engaged in

a phone call that an incoming caller's number is marked "private" as the caller receives a call-waiting beep. Pet. 5a. With both inventions, the novelty, non-obviousness and usefulness requirements are met (assuming compliance with the many other preconditions for patent issuance) "because a new combination of steps in a process may be patentable even though all the constituents of the combination were well known and in common use before the combination was made." *Id.* at 188.

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### CONCLUSION

If the Court agrees that it is improper to import considerations of novelty and non-obviousness into the determination of patent-eligibility, then this petition for a writ of certiorari should be granted.

Respectfully submitted,

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