

No. 20-1809

In The
Supreme Court of the United States

VOIP-PAL.COM, INC.,
Petitioner,

v.

APPLE, INC.; AMAZON.COM, INC.;
AMAZON TECHNOLOGIES, 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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TABLE OF ABBREVIATIONS

ABBREVIATION	TERM
VoIP-Pal	Plaintiff-Petitioner VoIP-Pal.com, Inc.
Apple	Defendant- Respondent Apple, Inc.
The '762 patent	U.S. Patent No. 9,537,762
The '330 patent	U.S. Patent No. 9,813,330
The '002 patent	U.S. Patent No. 9,826,002
The '549 patent	U.S. Patent No. 9,948,549
The asserted claims	Claims 6, 16, 21, 26, and 30 of the '762 patent; claims 3, 4, 12, and 14 of the '330 patent; claims 1, 12, 22, 26, and 29 of the '002 patent; and claims 2, 6, 9, 12, 17, and 24 of the '549 patent

Grant certiorari, vacate
the judgment
below, and remand the
case

GVR

POSITA

Person of Ordinary
Skill in the Art

PETITIONER'S REPLY BRIEF

The Court should grant certiorari because the Petition raises significant issues of patent law and hinges on the bitter divide within the Federal Circuit that this Court has been implored to resolve in *American Axle & Manufacturing, Inc. v. Neapco Holdings LLC*, No. 20-891. The Federal Circuit's summary affirmance in this case should not diminish the importance of the questions presented. If anything, it bolsters their certworthiness. The district court plainly conflated the §101 eligibility inquiry with the §112 patentability inquiry in the same way that deeply troubled the *American Axle* dissenters. The Federal Circuit's endorsement of §101 subsuming the inquiries under other sections of the Patent Act underscores the inconsistent and chaotic state of its §101 jurisprudence. It also confirms that the Federal Circuit cannot restore certainty to this area of the law without this Court's guidance.

In its Opposition, Apple tries to divert the Court's attention from the important questions presented by arguing that the *American Axle* claims concern different technology, disingenuously claiming that VoIP-Pal does not dispute that the asserted claims are ineligible under §101, and prematurely arguing the merits. Not only are Apple's arguments irrelevant and unavailing, but given the critical issues raised by the Petition, VoIP-Pal had little need to state the obvious—the district court's decision should be reversed. Indeed, members of the Court have acknowledged that “[t]he most helpful and persuasive petitions for certiorari to this Court

usually ... spend a considerable amount of time explaining why those questions of law have sweeping importance and have divided or confused other courts.” See *O’Sullivan v. Boerckel*, 526 U.S. 838, 858 (1999) (Stevens, J., dissenting). VoIP-Pal’s Petition does just that. As *American Axle* reveals, the Federal Circuit is divided and confused as to how to properly apply Congress’s carefully crafted statutory framework.

The Petition squarely raises the same issues and the outcome of those issues in *American Axle* will necessarily impact this case’s outcome. Apple makes virtually the same argument about the supposed irrelevance of *American Axle* as the respondent in *WildTangent, Inc. v. Ultramercial, LLC* made about the impact of the Court’s decision in *Alice v. CLS Bank*—that, supposedly, “there is little reason to believe that the outcome of this dispute...will turn on the outcome in [Alice],” or, here, the outcome in *American Axle*. See *WildTangent, Inc. v. Ultramercial, LLC*, No. 13-255, Opp. Br. 14. Yet this Court rejected that argument, held the petition pending its decision in *Alice*, and GVR’d that case to the Federal Circuit in light of *Alice*. See *WildTangent, Inc. v. Ultramercial, LLC*, 573 U.S. 942 (2014). The Court should do the same in this case. See *Lawrence v. Chater*, 516 U.S. 163, 167-68 (1996) (holding that a GVR order is appropriate if there are recent developments that the court below did not fully consider). Thus, the Court should hold this case until the *American Axle* petition is resolved. Alternatively, this Petition should be granted.

**I. THIS CASE SHOULD BE HELD PENDING
AMERICAN AXLE.**

**A. The Issues Raised By *American Axle*
Overlap With This Case.**

Apple's assertion that the asserted claims concern classifying and/or routing a communication whereas the *American Axle* claims concern a process for tuning automobile drive shafts is meaningless. Opp. 11. Both petitions raise issues independent of the nature of the technology. The *American Axle* dispute also does not merely concern whether the claims are directed only to a natural law (Hooke's Law) versus the process for tuning drive shafts. Opp. 12. Rather, the *American Axle* dispute, like this case, largely concerns whether requiring the claims alone to teach how to make and use the claimed invention improperly conflates the §101 inquiry with the §112 inquiry. *See Am. Axle Pet.* 22-23.

By stating "whether a claim is directed to Hooke's law is a different question than whether a claim is directed to an abstract idea," Chief Judge Moore was not distinguishing *American Axle's* claims from the claims in this case as Apple misleadingly suggests. Opp. 1, 12. She did not even make this statement in either the merits or the *en banc* decision in *American Axle*. Rather, in denying American Axle's motion to stay the mandate pending a filing of a petition for writ of certiorari, Judge Moore explained that she dissented from the remand to consider whether *American Axle's* claim 1 was directed to an abstract idea because that issue was not presented on appeal nor litigated in the lower

court. *Am. Axle & Mfg. v. Neapco Holdings LLC*, 977 F.3d 1379, 1384 (Fed. Cir. 2020) (Moore, J., concurring).

Moreover, the Court should reject Apple's invitation to glean anything about how *American Axle* may impact this case based on how the panel voted below as compared to how the same judges voted in *American Axle*. Resolving the Federal Circuit's sharp division over the breadth of §101's exclusionary principle necessarily impacts this case because the Federal Circuit used the same blended §101/§112 analysis to affirm the ineligibility of the *American Axle* claims as the district court used to find the asserted claims ineligible. As Judge Moore, who was on the panel in both cases, has admitted, the Federal Circuit is "at a loss as to how to *uniformly* apply §101" and is "unanimous in our unprecedented plea for guidance." *See Am. Axle*, 977 F.3d at 1382 (Moore, J., concurring) (emphasis added). Without this Court's guidance, particularly as to the boundary between §101 and §112, Apple cannot say that the panel below could not find the asserted claims patent eligible. Further, despite what Apple suggests, the panel's silence reveals nothing about the degree to which the panel believed the asserted claims are allegedly ineligible. *See Innovation Scis., LLC v. Amazon.com, Inc.*, 842 F. App'x. 555, 558 (Fed. Cir. Jan. 5, 2021) ("reject[ing] the implication" "that an affirmance" without opinion "provides any information about whether a case was close, frivolous, or noncontroversial.>").

B. *American Axle's* Outcome Will Impact This Case.

Despite what Apple thinks, VoIP-Pal does not concede that a denial of certiorari or an affirmance in *American Axle* means that this Petition should be denied. This Petition presents its own independent question (Question Presented 3) for review in addition to those presented in *American Axle*. Pet. i. In this case, the district court conflated §101 and §112 to an unprecedented degree, *even more so* than the *American Axle* majority. While a reversal in *American Axle* would necessarily undermine the district court's flawed analysis, the district court strayed so far into §112 territory that, even absent a reversal in *American Axle*, determining the proper boundary between §101 and §112 is itself worthy of review.

Ironically, Apple tries to justify the district court's opinion based on *O'Reilly v. Morse*, which was central to the debate in *American Axle*. Opp. 15. The *American Axle* panel majority used *O'Reilly* to establish a newly fashioned eligibility *how* requirement. *See Am. Axle & Mfg. v. Neapco Holdings LLC*, 967 F.3d 1285, 1302 (Fed. Cir. 2020). But five *en banc* dissenters led by Judge Stoll opined that *O'Reilly* does not provide a test for determining eligibility. *See Am. Axle & Mfg. v. Neapco Holdings LLC*, 966 F.3d 1347, 1362 (Fed. Cir. 2020) (Stoll, J., joined by Newman, Moore, O'Malley, and Reyna, JJ., dissenting from denial of reh'g *en banc*). To the extent this Court has cited *O'Reilly*, "it has been for the general propositions that there is an implicit exception to §101 and that preemption is an

important concern in patent law.” *Id.* (collecting cases). Moreover, *O’Reilly* arguably rejected claim 8 of Morse’s telegraph patent on §112 grounds, not §101 grounds. Claim 8 attempted to claim all uses of electromagnetism for writing at a distance. See *O’Reilly v. Morse*, 56 U.S. 62, 77-78 (1854). The Court rejected the claim because its drafter erroneously assumed that there was “no necessity for any specification” of particular machinery and the *patent’s specification* did not support the claim’s full breadth. *Id.* at 119-120 (“Yet this claim can derive no aid from the specification filed. It is outside of it, and the patentee claims beyond it.”); see also *Am. Axle* Lefstin Br. 9-16; Jeffrey A. Lefstin, Inventive Application: A History, 67 Fla. L. Rev. 565, 594-97 (2015); cf. *Am. Axle*, 966 F.3d at 1362 (“*O’Reilly* does describe the ineligible claim as ‘outside’ and ‘beyond’ the specification.”). Thus, if the district court “precisely followed” *O’Reilly*, which Apple speciously claims because the district court never cited *O’Reilly*, then any decision from the Court that clarifies the true import of *O’Reilly* necessarily impacts the outcome of this case.

Even if the majority and the dissenters in *American Axle* agreed that §101 requires determining whether claims recite a specific manner of achieving any claimed functional result, the two sides disagreed on how much specificity is required. As Judge Stoll put it, “a claim can be specific enough to be directed to an application of a law of nature—which is patent eligible—without reciting how to perform all the claim steps.” See *Am. Axle*, 966 F.3d at 1363 (Stoll, J., joined by Newman, Moore, O’Malley, and Reyna, JJ., dissenting from denial of reh’g *en banc*). The level

of specificity required to clear the eligibility threshold is not only what bitterly divided the Federal Circuit, but it also is where the district court went astray. In this case, the asserted claims do not merely claim a result—classifying or routing communications—but rather claim a specific solution for accomplishing this result—by using profile attributes specific to the caller to transparently classify and route the call. See *Finjan, Inc. v. Blue Coat Sys.*, 879 F.3d 1299, 1305 (Fed. Cir. 2018) (claims that recite specific steps for accomplishing the desired result are not abstract). The reason the district court disagreed is because it raised an endless assortment of *how* questions—at least 32—about irrelevant secondary and lower-level details not germane to the eligibility inquiry. Pet. 24-27. Thus, the district court incorporated the same type of heightened enablement requirement into its eligibility analysis that troubled the *American Axle* dissenters. See *Am. Axle*, 966 F.3d at 1363; *Am. Axle*, 967 F.3d at 1316. Apple’s claim that there is “nothing” in the district court’s order that raises similar concerns is simply not credible. Opp. 17.

Tellingly, Apple avoids meaningfully grappling with any of the numerous examples that VoIP-Pal presents of the district court conflating the §101 inquiry with the §112 inquiry. Pet. 24-27. Instead, Apple mischaracterizes VoIP-Pal’s *how* test arguments; VoIP-Pal never contends that the district court’s mere use of the word “how” shows it conflated §101 and §112. Rather, it is the *nature* of the *how* questions that the district court posed—detailed questions fixated on how the claimed inventions are implemented as opposed to how the claims recite a specific solution for accomplishing a result—that

show that the district court improperly converted its §101 eligibility inquiry into a §112 enablement inquiry. Pet. 24-27. Because the *American Axle* dissenters raised the same criticisms with the majority opinion, a reversal in *American Axle* will undoubtedly impact this case's outcome.

Apple also mischaracterizes the *American Axle* majority's new *nothing more* test and its use in this case. The *American Axle* majority found claim 22 directed to a natural law because it amounted to nothing more than claiming a result and did not recite a sufficiently specific application of the natural law. *Am. Axle*, 967 F.3d at 1297. VoIP-Pal's examples show that the district court in this case used the *nothing more* test in the same way. Pet. 15-16. For instance, in the example that Apple addresses, the district court found that the claim's step of "receiving" 'identifiers' associated with the participants amounts to nothing more than collecting preexisting information" because "collecting information is ... within the realm of abstract ideas." Pet. 54a (citation omitted). Apple even admits that the district court "consider[ed] whether the claims were directed to an abstract idea *or something more*—'a patent-eligible application'" of that idea. Opp. 20 (emphasis added).

Apple tries to distinguish the asserted claims from those in *American Axle* because the *American Axle* dissenters believed that the latter claims recited more elements than those that invoked the natural law. Opp. 19. But the asserted claims also recite something more. The district court expressly "accepted as true [VoIP-Pal's] allegations that (1) user-specific handling, (2) transparent routing, (3)

resiliency, and (4) communications blocking are significant and *unconventional improvements upon prior technology.*” App. 101a (emphasis added). Accepting VoIP-Pal’s factual allegations at the pleadings stage that these were unconventional improvements over the prior art should have ended the eligibility inquiry in VoIP-Pal’s favor. *See Aatrix Software, Inc. v. Green Shades Software, Inc.*, 882 F.3d 1121, 1129 (Fed. Cir. 2018) (“In light of the allegations made by [patentee], the district court could not conclude at the Rule 12(b)(6) stage that the claimed elements were well-understood, routine, or conventional.”). Nevertheless, the district court “rejected these improvements on the ground that *the Patents-in-Suit* did not disclose *how* to achieve them.” App. 101a (emphasis added). Thus, like *American Axle*, the district court’s *nothing more* analysis expanded §101 to reject claims reciting patent-eligible concepts. If the Court rejects, modifies, or clarifies *American Axle*’s *nothing more* test, then that ruling will directly impact the eligibility of the asserted claims.

II. THE ASSERTED CLAIMS ARE PATENT ELIGIBLE.

This case is an excellent vehicle for review because it presents a textbook example of the legal uncertainty created by shifting the inquiry under one section of the Patent Act (§112) to another section (§101) warned against in *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66 (2012). Restoring the §101 inquiry to its statutory limit affects not just this case, but it is essential to purge the legal uncertainty bedeviling §101 jurisprudence.

Section 101 precedent is hardly clear-cut as Apple claims. If it were, then Judge Moore would not have admitted that the Federal Circuit has “struggled to consistently apply the judicially created exceptions to this broad statutory grant of eligibility, slowly creating a panel-dependent body of law and destroying the ability of American businesses to invest with predictability.” *See Am. Axle*, 977 F.3d at 1382 (Moore, J., concurring); *see also* Mark A. Lemley & Samantha Zyontz, *Does Alice Target Patent Trolls?*, J. Empirical Legal Stud., at 4 (Mar. 26, 2020) (“Courts have struggled to apply the two-part *Alice* framework, coming to decisions that are arguably inconsistent and causing many judges and lawyers to throw up their hands and say that the ensuing case law is impossible to understand or apply.”). Even the Solicitor General has agreed that the Court’s “recent Section 101 decisions have fostered substantial uncertainty,” and that “[t]he confusion created by this Court’s recent Section 101 precedents warrants review in an appropriate case.” *See Hikma Pharmaceuticals USA Inc. v. Vanda Pharmaceuticals Inc.*, No. 18-817, U.S. Br. 8 (*cert. denied* Jan. 13, 2020). The Court should not let the Federal Circuit’s summary affirmance in this case serve as any indication that the law is well settled. If the Federal Circuit is willing to let the district court’s opinion be its final word on the questions presented, then the Court should not ignore the critically important issues raised by the Petition that are otherwise certworthy.

Apple argues that certiorari should be denied because “the district court’s order is entirely correct.” Opp. 21. Regardless of whether this claim is true,

which it is not, Apple’s merits arguments are, of course, no reason to deny certiorari when “the questions presented are significant ones warranting [the Court’s] review,” which they are. See *Boumediene v. Bush*, 549 U.S. 1328, 1329 (2007) (Breyer, J., joined by Souter and Ginsburg, JJ., dissenting from the denial of certiorari). If anything, Apple’s arguments further expose the analytical flaws in the district court’s opinion and confirm the certworthiness of the questions presented.

First, Apple tries to justify the district court’s *Alice* step-one analysis by claiming that the district court properly applied circuit precedent. Opp. 22. Yet half of the cases that Apple claims that the district court properly applied are *nonprecedential*. Opp. 23. Second, Apple then implies that the district court correctly concluded that the asserted claims merely “describe a desired result—routing the communication—without explaining *how* that result is achieved.” Opp. 24. Yet Apple fails to explain any of the numerous examples VoIP-Pal presents of the district court repeatedly conflating the two *how* requirements announced by the *American Axle* majority. Pet. 24-27. Third, Apple further claims that the district court correctly held claim 1 of the ‘002 patent to be “‘purely functional’ and ‘amount[ing] to nothing more than the abstract idea of collecting data, analyzing it, and displaying the results’” despite the fact the district court expressly recited the controversial *nothing more* test. Opp. 25 (citations omitted). In short, Apple simply glosses over glaring problems with the district court’s step-one analysis that led the district court to incorrectly conclude that the asserted claims are directed to an abstract idea.

In *Alice* step two, Apple again improperly focuses on the district court's ultimate conclusion, which was incorrect, rather than the significance of the questions presented. *Id.* Regardless, the Petition *does* contend that the district court erred at step two because the district court shunned factual evidence and unfairly eliminated the perspective of a POSITA in its blended §101/§112 analysis. Pet. 29-32. The Federal Circuit has held that determining whether claims recite an inventive concept, or something more than well-understood, routine, and conventional activities, may turn on underlying questions of fact. *See Cellspin Soft, Inc. v. Fitbit, Inc.*, 927 F.3d 1306, 1315 (Fed. Cir. 2019) (citing *Aatrix*, 882 F.3d at 1128). But the district court ignored this precedent, imposing fact-laded *how* questions aplenty without ever considering how a POSITA might answer them. Because this Court has yet to consider the critical issue of whether patent eligibility involves questions of fact (Question Presented 2), certiorari is warranted.

III. CONCLUSION

In conclusion, this Petition should be held pending the disposition of the *American Axle* petition. Alternatively, this Petition should be granted.

Dated: Sept. 3, 2021

Respectfully submitted,

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