No.	

In the

Supreme Court of the United States

WHITSERVE LLC,

Petitioner,

v.

DONUTS INC., NAME.COM, INC.,

Respondents.

WHITSERVE LLC,

Petitioner,

 \mathbf{v}_{\bullet}

ENOM, LLC,

Respondent.

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

> PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

If a patentee makes factual assertions that its claimed invention is directed to patent-eligible subject matter under 35 U.S.C. § 101, including assertions that the claimed invention does not consist of well-understood, routine, or conventional activity and that the claimed invention is supported by evidence of commercial success, is a district court permitted to overlook the patentee's assertions, find that the claimed invention is directed to patent-ineligible subject matter, and dismiss the patentee's complaint under Rule 12(b)(6) given the requirements of Rule 12(b)(6) analyses and the statutory presumption of § 282(a)?

PARTIES TO THE PROCEEDINGS AND RULE 29.6 STATEMENT

The parties to the proceedings include those listed on the cover. Appeal Number 2019-2240 and Appeal Number 2019-2241 were consolidated at the Federal Circuit Court of Appeals under both captions. App. 12a-13a.

WhitServe, LLC ("WhitServe") has no parent corporation, and no publicly held company owns 10 percent or more of its stock.

LIST OF RELATED PROCEEDINGS

Related proceedings include the following:

- WhitServe LLC v. Donuts Inc. and Name.com, Inc., No. 2019-2240 (Fed. Cir.) (Judgment entered April 10, 2020)
- WhitServe LLC v. Enom, LLC, No. 2019-2241 (Fed. Cir.) (Judgment entered April 10, 2020)
- WhitServe LLC v. Donuts Inc. and Name.com Inc., No. 18-cv-00193-CFC (D. Del) (Judgment entered July 8, 2019)
- WhitServe LLC v. Enom, LLC, No. 18-cv-00194-CFC (D. Del.) (Judgment entered July 8, 2019)

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PETITION FOR WRIT OF CERTIORARI

WhitServe respectfully submits this petition for a writ of certiorari to review the consolidated opinion and judgment of the United States Court of Appeals for the Federal Circuit in Appeal Numbers 2019-2240 and -2241, dated April 10, 2020.

OPINIONS BELOW

The order of the Federal Circuit panel affirming the district court's order and judgment is unreported and available at 809 Fed. Appx. 929 (Fed. Cir. Apr. 10, 2020). App. 1a-11a. The opinion and order of the district court are reported at 390 F. Supp. 3d 571 (D. Del. July 8, 2019). App. 14a-36a.

STATEMENT OF JURISDICTION

On March 19, 2020, the Supreme Court extended all deadlines for filing petitions for certiorari due to COVID-19. In this case, the deadline was extended until September 6, 2020. The jurisdiction of the district court was invoked under 28 U.S.C. §§ 1331 and 1338. The jurisdiction of the Federal Circuit was invoked under 28 U.S.C. § 1295(a)(1). The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

Section 101 of Chapter 35 of the United States Code (the "Patent Act") provides:

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

Section 282(a) of the Patent Act provides:

(a) In General. - A patent shall be presumed valid. Each claim of a patent (whether in independent, dependent, or multiple dependent form) shall be presumed valid independently of the validity of other claims; dependent or multiple dependent claims shall be presumed valid even though dependent upon an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.

STATEMENT OF THE CASE

The requirements of Rule 12(b)(6) analyses and/or the presumption of validity under 35 U.S.C. § 282(a) dictate that questions of fact underlying a 35 U.S.C. § 101 patent-eligibility analysis must be taken as true in favor of the patentee. As a result, district courts are not permitted to overlook a patentee's factual assertions that its claimed invention is directed to patent-eligible subject matter and dismiss a patent infringement action under Rule 12(b)(6) pursuant to a determination that the patent claims are directed to ineligible subject matter under 35 U.S.C. § 101. The question presented in this petition is procedural in nature and does not require a determination of patent-eligibility for the relevant patent claims. The jurisdiction of the Federal Circuit below was invoked under 28 U.S.C. § 1295(a)(1).

I. Legal Background

A. The Standard for Granting a Rule 12(b)(6) Motion to Dismiss

A complaint requires "only 'a short and plain statement of the claim showing that the pleader is entitled to relief" in order to 'give the defendant fair notice of what the . . . claim is and the grounds upon which it rests." *Bell Atl. Corp. v.*Twombly, 550 U.S. 544, 555 (2007) (quoting Conley v. Gibson, 355 U.S. 41, 47

(1957)). "To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to state a claim to relief that is plausible on its face."

Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009) (citation and internal quotation marks omitted). "When there are well-pleaded factual allegations, [the] court should assume their veracity and then determine whether they plausibly give rise to an entitlement to relief." Id. "A claim has facial plausibility when the plaintiff pleads factual content that[, accepted as true,] allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged." Id. Pleadings include documents attached thereto. Fed. R. Civ. P. 10(c). A court may also consider evidence subject to judicial notice. See Southern Cross Overseas Agencies, Inc. v.

Wah Kwong Shipping Group, Ltd., 181 F.3d 410, 426–27 (3d Cir. 1999); United States v. Ritchie, 342 F.3d 903, 908 (9th Cir. 2003).

B. Patent Eligibility Under 35 U.S.C. § 101

The Patent Act provides that "[w]hoever 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." 35 U.S.C. § 101.

Judicially-created exceptions to patent-eligible subject matter are laws of nature, natural phenomena, and abstract ideas. *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972).

Two recent opinions of this Court concerning patent eligibility under § 101 are Mayo Collaborative Services v. Prometheus Laboratories, Inc., 566 U.S. 66 (2012) and Alice Corp. Pty. Ltd. v. CLS Bank International, 573 U.S. 208 (2014). In Mayo, the Court considered patent claims concerning laws of nature and held that the

claims "did not add enough to [these natural laws] to allow the processes they describe to qualify as patent-eligible processes that apply natural laws." 566 U.S. at 77. The Court's holding was in part supported by the patentee's explicit admission in a patent at issue that claimed elements were "well known in the art." *Mayo*, 566 U.S. at 79 (citing App. 72a-79a at 9:12-65). The Court also found support for its ineligibility holding in representations in the patent that claimed elements were routine. *Mayo*, 566 U.S. at 79 (citing App. 72a-79a at 8:37-40 ("Previous studies suggested that measurement of 6-MP mercaptopurine metabolite levels can be used to predict clinical efficacy and tolerance to azathioprine or 6-MP.")).

In *Alice*, the Court considered patents that were held to be directed to an abstract idea. 573 U.S. at 212. The Court distinguished between claims directed to the "building blocks of human ingenuity," which are ineligible under § 101, and claims that integrate such building blocks in a transformative way to yield a patentable invention. *Id.* at 217.

Alice also discussed Mayo's two-step test. In Alice step one, a court "determine[s] whether the claims at issue are directed to one of those patent-ineligible concepts." Alice, 573 U.S. at 217. If so, in Alice step two a court "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," also known as an inquiry into "inventive concept." Id. at 217 (internal quotations and citations omitted).

Determining patent eligibility often requires claim construction. *Teva Pharm. USA, Inc. v. Sandoz, Inc.*, 574 U.S. 318, 326-27 (2015). Like patent-eligibility analyses under § 101, claim construction also involves fact-finding. In *Teva*, this Court held that although "the ultimate issue of the proper construction of a claim should be treated as a question of law, . . . in patent construction, subsidiary factfinding is sometimes necessary." *Id.* at 326. The scope of the claim in dispute must be understood, and claim terms ought to be construed based on relevant evidence, including the relevant knowledge of a person of ordinary skill in the art at the time of invention.

C. The Factual Considerations of 35 U.S.C. § 101

Assessing patent eligibility necessitates consideration of underlying questions of fact. Contesting § 101 eligibility is an invalidity challenge. Versata Dev. Group, Inc. v. SAP Am., Inc., 793 F.3d 1306, 1330 (Fed. Cir. 2015); see also CLS Bank Int'l v. Alice Corp. Pty., 717 F.3d 1269, 1284 (Fed. Cir. 2013) (Lourie, J., concurring) ("[A]s with obviousness and enablement, that presumption [of validity] applies when § 101 is raised as a basis for invalidity in district court proceedings."), aff'd, 573 U.S. 208 (2014). The Federal Circuit has described the patent eligibility analysis as being "facilitated by considerations analogous to those of §§ 102 and 103." Internet Patents Corp. v. Active Network, Inc., 790 F.3d 1343, 1347 (Fed. Cir. 2015). In Mayo, the Supreme Court stated that "the § 101 patent eligibility inquiry and, say, the § 102 novelty inquiry might sometimes overlap." Mayo, 566 U.S. at 90.

In relation to this Court's decisions in *Mayo* and *Alice*, the Federal Circuit has held that, although patent eligibility under § 101 is a question of law,

subsidiary factual disputes exist that may preclude a dismissal on the pleadings or a grant of summary judgment. See Aatrix Software Inc. v. Green Shades Software, Inc., 882 F.3d 1121 (Fed. Cir. 2018); Berkheimer v. HP Inc., 881 F.3d 1360 (Fed. Cir. 2018). The Supreme Court has not squarely addressed this question. However, the Court has stated that

[t]o receive patent protection a claimed invention must, among other things, fall within one of the express categories of patentable subject matter, § 101, and be novel, § 102, and nonobvious, § 103. . . . In evaluating whether *these* and other statutory conditions have been met, PTO examiners must make various *factual determinations*-for instance, *the state of the prior art in the field* and *the nature of the advancement embodied in the invention*.

Microsoft, 546 U.S. at 96 (emphasis added); see also id. at 96-97 ("[T]he same factual questions underlying the PTO's original examination of a patent application will also bear on an invalidity defense in an infringement action."); cf. Mayo 566 U.S. at 90 ("[I]n evaluating the significance of additional steps, the § 101 patent eligibility inquiry and, say, the § 102 novelty inquiry might sometimes overlap."). Proper analysis under § 101 requires analyzing questions of fact.

For instance, under *Alice* step two, factual considerations include whether a claim element or combination is "well-understood, routine, [and] conventional." *Aatrix*, 882 F.3d at 1128 ("Whether the claim elements or the claimed combination are well-understood, routine, conventional is a question of fact. And in this case, that question cannot be answered adversely to the patentee based on the sources properly considered on a motion to dismiss, such as the complaint, the patent, and materials subject to judicial notice."); *Berkheimer*, 881 F.3d at 1368 ("The question

of whether a claim element or combination of elements is well-understood, routine and conventional to a skilled artisan in the relevant field is a question of fact."); see also Aatrix Software, Inc. v. Green Shades Software, Inc. ("Aatrix II"), 890 F.3d 1354, 1368 (Fed. Cir. 2018) (J. Moore, Dyk, O'Malley, Taranto, and Stoll, concurring); BASCOM Glob. Internet Servs. v. AT&T Mobility LLC, 827 F.3d 1341, 1350 (Fed. Cir. 2016) ("On this limited record, this specific method of filtering Internet content cannot be said, as a matter of law, to have been conventional or generic."); cf. Apple, Inc. v. Ameranth, Inc., 842 F.3d 1229, 1242 (Fed. Cir. 2016) (finding a patent ineligible at step two, in part because testimony confirmed that certain elements were routine and well-known).

The Federal Circuit has also held that secondary considerations form part of the § 101 analysis. Under *Alice* step one, factual considerations include commercial success. In *Data Engine Techs. LLC v. Google LLC*, 906 F.3d 999, 1008 (Fed. Cir. 2018), the Federal Circuit recited in the context of an *Alice* step one analysis that "[t]he invention was applauded by the industry for improving computers' functionality as a tool able to instantly access all parts of complex three-dimensional electronic spreadsheets." The Federal Circuit relied on articles and industry publications as establishing that the "claimed invention[] was highly acclaimed as having revolutionized" the technology-at issue and such that it was not directed to an abstract idea. *Id.* at 1004; *see also id.* at 1008 ("Numerous contemporaneous articles attributed the improved three-dimensional spreadsheets' success to its notebook tab feature.").

The Federal Circuit has also considered objective evidence of patentability during its *Alice* step two inquiry. For example, in *Rapid Litigation Management v*. *CellzDirect*, while finding the claims patent eligible under *Alice* step two, the Federal Circuit emphasized that the prior art taught away from the patented invention. 827 F.3d 1042, 1051 (Fed. Cir. 2016) (concluding that "[r]epeating a step that the art taught should be performed only once can hardly be considered routine or conventional"). Likewise, in *DDR Holdings*, the Federal Circuit noted that the hyperlinks at issue in that case behaved in an unexpected way. *DDR Holdings LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014).

Thus, evidence of secondary considerations is relevant to the *Alice* analysis. Furthermore, such evidence helps "guard against slipping into use of hindsight, and to resist the temptation to read into the prior art the teachings of the invention in issue." *Graham v. John Deere Co.*, 383 U.S. 1, 36 (1966) (internal citations omitted). *Alice*'s step two analysis is particularly susceptible to this legal error, for instance when an invention is ubiquitous in an industry due to significant licensing.

Per the Federal Circuit, the foregoing factual questions "must be resolved en route to the ultimate legal determination" of patent eligibility. *Aatrix*, 882 F.3d at 1128. Such resolution must "be answered under the normal procedural standards, including the Federal Rules of Civil Procedure standards for motions to dismiss or summary judgment and the Federal Rules of Evidence standards for admissions and judicial notice." *Aatrix II*, 890 F.3d at 1359 (J. Moore, Dyk, O'Malley, Taranto, and Stoll, concurring).

D. The Presumption of Validity under 35 U.S.C. § 282(a)

Section 282 provides that "[a] patent shall be presumed valid" and "[t]he burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity." 35 U.S.C. § 282(a); Microsoft Corp. v. i4i Ltd. P'ship, 564 U.S. 91, 100 (2011). The defendant bears "a heavy burden of persuasion," on the issue of validity, which must be met by "clear and convincing evidence." Id. at 101-03; Berkheimer, 881 F.3d at 1368 ("Any fact . . . that is pertinent to the invalidity conclusion must be proven by clear and convincing evidence."). This presumption attaches to the issue of patent eligibility. Cellspin Soft, Inc. v. Fitbit, Inc., 927 F.3d 1306, 1319 (Fed. Cir. 2019) ("To the extent the district court departed from [the] principle . . . that issued patents are presumed valid but not presumed patent eligible, it was wrong to do so."); Berkheimer, 881 F.3d at 1368 ("The question of whether a claim element or combination of elements is well-understood, routine and conventional to a skilled artisan in the relevant field is a question of fact . . . [a]nd the Supreme Court recognized that in making the § 101 determination, the inquiry 'might sometimes overlap' with other fact-intensive inquiries like novelty under § 102.") (quoting Mayo, 566 U.S. at 90); see also CLS Bank Int'l, 717 F.3d at 1304–05 (Rader, J., Linn, J., Moore, J., and O'Malley, J., concurring-in-part and dissenting-in-part) (explaining that challenges to eligibility must be proven by clear and convincing evidence). The presumption therefore includes the factual considerations underlying the Mayo/Alice test.

II. The Patents at Issue

WhitServe owns the '468 Patent and the '078 Patent ("the Asserted Patents"). App. 48a-71a. The '468 Patent issued on April 20, 1999, and the '078 Patent issued on January 30, 2001. *Id.* The '078 Patent is a continuation of application No. 09/237,521, which is a continuation-in-part of application No. 08/726,999, now the '468 Patent. *See id.* The Asserted Patents largely share a common specification that was first filed on October 7, 1996. *See id.*

A. Technological Context: The Internet in the Late 1990s

The Asserted Patents originated in 1996, when Internet access and website interactivity was primitive and frustrating. In this era, much Internet technology was in its nascent stages of development, posing significant practical and technological problems. In 1996, software and hardware limitations seriously affected computer functionality, especially when processing information using the Internet. Uploading large amounts of data to a website was challenging. Improving the computer functionality to be useful for the Internet was a problem that very much needed solving. Requiring a user to communicate with a docketing system through web servers for multiple correspondences was a complicated procedure requiring additional data processing and data accuracy checking. The Asserted Patents provided a technological solution to such usability and processing issues.

B. Overview of the '468 Patent

The '468 Patent, entitled "system automating delivery of professional services," discloses devices and methods for providing client reminders and obtaining client instructions over the Internet regarding a professional service to be

performed. App. 48a-59a, at 1:5-8. The '468 Patent acknowledges drawbacks of known systems for managing deadlines. It recognizes that professionals may have to send clients reminders, obtain instructions from the clients, and then take appropriate actions based on those instructions. *Id.* at 1:11-17. As discussed in the patent, it is often important that all of this occur in a timely manner so that clients do not have to pay late fees or lose rights. *Id.* at 1:16-19. "[T]hese functions are often time-intensive, costly, and tedious," *id.* at 1:19-20, and these issues were compounded because the "typical professional has many clients, each client having many matters which the professional must constantly monitor." *Id.* at 1:23-26.

When the '468 Patent was filed, perhaps the most common system was the standard docketing database, which a professional used to periodically review upcoming deadlines. *Id.* at 1:36-39. As discussed in the '468 Patent, a number of technical disadvantages were associated with such systems, including limited software functionality and limited connectivity between the standard docketing system and the client's computer. *Id.* at 1:36-56.

The inventor of the '468 Patent set out to resolve the technical problems of limited software functionality and limited connectivity, and did so with the inventions disclosed in the '468 patent. For example, the '468 Patent discloses an embodiment of the invention in Figures 3-5 that highlights the technical solutions to these technical problems. Additional technical detail is provided in the '468 Patent regarding the software and hardware (e.g., databases and web server) used

in the invention, and the notices and forms that are generated by the software. See Id. at 5:22-6:1-18, 6:39-49; Figs. 3-5.

The above-described combination of software, hardware, and communication links solved the problems of limited software and limited connectivity at the time of the invention and provided "an automated system for obtaining authorizations from clients prior to deadlines which will improve the speed, efficiency, and reliability of performing professional services for clients." *Id.* at 2:6-9.

C. Overview of the '078 Patent

The '078 Patent, entitled "system for delivering professional services over the Internet," includes the same disclosure as the '468 Patent. The '078 Patent additionally discloses a website that permits direct entry of client reminders into the above-described system, where the website includes a central computer with software that generates an input web page, and a database accessible by the computer. App. 59a-71a at 7:3-10; Fig. 6. The input web page is accessible by the client computer, and is used by the client to enter information into the central computer: a reminder identifier (e.g., indicative of a particular client matter), a command for management of the reminder (e.g., to add, delete, or modify data), and a request to perform a professional service (e.g., a request to pay a maintenance fee or file an application). Id. at 7:10-26; Fig. 6. After receiving this information, the central computer's software determines a reminder date and client identifier from the reminder identifier, and stores them on a docket database to add, delete, or modify the existing reminders. Id. at 7:27-34. The website may also include a data source (e.g., a source of intellectual property data) that is used to supplement and

confirm the client's reminder identifier before updating the docket database. *Id.* at 7:34-46.

The '078 Patent also discloses another website and associated software that enables direct client reporting of reminders by querying the docket database by a client identifier, generating a report web page of the reminder dates and reminder types associated with the client identifier, and transferring the report web page to the client's computer over the internet. *Id.* at 7:47-64.

The above-described combination of software, hardware, and communication links solved the technical problems at the time of the invention of limited software, limited connectivity, and data access, and provided "an automated system for obtaining authorizations from clients prior to deadlines which will improve the speed, efficiency, and reliability of performing professional services for clients," as well as a "system which provides clients with control over, but not responsibility for the [ir] data [.]" *Id.* at 2:23-34.

III. The Proceedings Below

A. The District Court

In February 2018, WhitServe filed two complaints—one against Donuts Inc. and Name.com, Inc., and another against Enom, LLC (together, "Donuts")—in the United States District Court for the District of Delaware, alleging infringement of select claims of the Asserted Patents. In support of its allegations of infringement and validity, WhitServe's complaint addressed the over twenty licenses it has granted to the Asserted Patents since 2006 to Donuts' competitors in the fields of intellectual property management and domain registration. App. 92a, 128a. Donuts

moved to dismiss the complaints under Federal Rule of Civil Procedure 12(b)(6), arguing that all the claims of the patents are invalid because their subject matter is ineligible for patenting under § 101.

Over WhitServe's objection, App. 17a, 14a-34a, the district court opined that claim 1 of the'468 Patent was "representative" of all the asserted claims and concluded that the claims are directed to "the abstract idea of preparing, sending, and receiving responses to due-date reminders for clients of professional-service [providers]." App. 22a. The district court further opined that the asserted claims can "be read as reciting use of generic computer technology to automate a well-known business practice." App. 24a. In reaching its opinion, the district court adopted the Federal Circuit's "repeated[] h[olding]" that "claims reciting automation of a conventional business practice using generic computer technology are directed to an abstract idea." App. 25a. Notably, the district court stated that "[t]he asserted claims . . . do not explain how [the claim's] automation is implemented," evidencing the Court's unfitness to serve as a person of ordinary skill in the art, especially and including at the time of the invention. App. 24a.

The district court did not address or consider WhitServe's licenses concerning the Asserted Patents, which were raised in WhitServe's complaints and opposition to the motions to dismiss. App. 92a, 128a; App. 228a-230a, 242a; see App. 14a-34a.

Next, the district court determined that the claim elements of representative claim 1, both individually or as an ordered combination, recite "nothing more than generic computer components employed in a customary manner," and therefore do

not transform the abstract idea into patent-eligible subject matter. App. 29a. In addition to claim 1, the court considered dependent claim 3 and determined that it too did "not confer patent eligibility." App. 30a. The sole basis of the district court's findings of patent ineligibility was the '468 Patent's claims and specification.

At WhitServe's prompting, the district court also considered the Federal Circuit's decisions in *Berkheimer* and *Aatrix*. App. 31a-33a. The district court stated that the Federal Circuit in *Berkheimer* disagreed with the lower court's conclusion that the claims at issue recited only "well-understood, routine, and conventional" subject matter under *Alice* step two. App. 31a. The district court then confused *Alice* steps 1 and 2 by opining that "under *Berkheimer*, *improvements in technology*" described in the patent, which as shown above the district court stated applied to *Alice* step one, "may *create* fact questions which preclude finding a patent ineligible as a matter of law." App. 31a-32a (emphasis added). In other words, the district court misconstrued *Alice* steps 1 and 2 in its reading of *Berkheimer* and opined that fact questions do not inherently exist with respect to the factual issues underlying "well-understood, routine, or conventional" subject matter: they must be "created" by a patent's disclosure. *See* App. 31a-32a.

Regarding *Aatrix*, the district court noted the Federal Circuit's suggestion that the complaint at issue in that case contained "numerous" and "specific" factual allegations directed to problems in computer functionality that were allegedly "solved by the Aatrix patented inventions." App. 31a-33a. The factual allegations referenced by the district court comprise nothing more than the standard

allegations of eligible subject matter under *Alice* and *Mayo*, including, for instance, an allegation about a data file that "claimed an improvement." App. 32a.

Ultimately, the district court found *Berkheimer* and *Aatrix* "inapplicable" to WhitServe's case in view of its opinion that "neither the patent nor the complaint alleges any improvement in technology." App. 32a-33a. On this basis, the district court granted Donuts' motion to dismiss the complaints with prejudice and without leave to amend and entered final judgments in Donuts' favor.

B. The Federal Circuit

The Federal Circuit affirmed the district court's holding. In so doing, the Federal Circuit also analyzed the '468 Patent under the two-step framework of Alice. First, the Federal Circuit concluded that WhitServe's claims are directed to an abstract idea because "the focus" of the claims is "[c]arrying out fundamental economic practices involving simple information exchange," which the Court relied on its own precedent to hold is an abstract idea. App. 6a-7a. The Court also seemingly analyzed commercial success of the '468 Patent in the context of Alice step one, but (impermissibly) weighed this factual evidence to conclude "[t]hat the market found WhitServe's products or ideas desirable—and took licenses—does not override the now-straightforward conclusion that the patents claim no improvement in computer functionality or other eligible matter." App. 9a (emphasis added). It is unclear how the Federal Circuit could have considered whether its conclusion could be "override[n]" by evidence of commercial success when the district court below failed to address WhitServe's licenses in its order dismissing

WhitServe's complaint with prejudice and without leave to amend in the first instance.

Pursuant to Alice step two, the Federal Circuit held that "[n]othing in WhitServe's claims transforms the abstract idea that is the focus of its claims into a patent-eligible invention." App. 7a. Specifically, the Federal Circuit alleged that WhitServe's claims require only "generic components" that "provide no eligibility-transformative inventive concept . . . [a]nd the specific ordered combination of these generic components is likewise insufficient, as it does nothing more than spell out what it means to apply the abstract idea on a computer." App. 8a (internal quotations omitted). Like the district court, the sole basis for the Federal Circuit's decision regarding patent ineligibility was the '468 Patent's claims and specification.

Finally, like the district court the Federal Circuit also analyzed whether it could resolve patent eligibility under 35 U.S.C. § 101 at the pleading stage, including under *Aatrix*. App. 10a-11a. According to the Federal Circuit, it has "repeatedly made clear," based on its own precedent, that "patent eligibility can be determined at the Rule 12(b)(6) stage if there are no *plausible factual* allegations to impede such a resolution." App. 10a (emphasis added).

REASONS FOR GRANTING THE PETITION

I. The Decisions Below Are Incompatible With Fundamental and Established Holdings of This Court, and the Resulting Erroneous and Burgeoning Precedent Is Vitiating the Patent Right

Motions for dismissal under Rule 12(b)(6) for reasons of patent ineligibility under § 101 are being granted at unprecedented levels since this Court's *Mayo* and

Alice decisions. Inventors and their assignees are being stripped of valuable property rights at an alarming rate. A glaring question that this Court has yet to answer is whether the factual underpinnings of the Mayo/Alice test and/or the presumption of patent validity under 35 U.S.C. § 282(a) preclude this result. They do. A determination of patent ineligibility over a patentee's factual assertions to the contrary at the 12(b)(6) stage is incompatible with the requirements of Rule 12 because such a determination necessitates impermissible fact-weighing at the pleading stage and eviscerates the statutory presumption of validity.

The Federal Circuit has stated that it intends to avoid "adopt[ing] a resultoriented approach to end patent litigation at the Rule 12(b)(6) stage that would fail
to accept as true the complaint's factual allegations and construe them in the light
most favorable to the plaintiff, as settled law requires," which the Federal Circuit
notes is the "harder" standard relative to that under Rule 56. Aatrix II, 890 F.3d at
1358 (J. Moore, Dyk, O'Malley, Taranto, and Stoll, concurring). In practice,
however, the Federal Circuit does precisely this when it relies on its own mind and
factual beliefs and it corrupts this Court's pronouncements in Mayo and Alice in the
process. This legal error occurred in the proceedings below and is occurring in
courts throughout the country with increasing frequency. Resolution of the question
presented by this petition is necessary to end the federal bench's practice of unduly
stripping inventors' property rights by ignoring completely a patentee's right to
have its factual allegations be taken as true under Rule 12(b)(6), especially because
the truth of those factual assertions was established by the United States Patent

Office in the first instance and then given a presumption by the United States Congress.

A. Dismissals of Patent Infringement Actions Under Rule 12(b)(6)
Pursuant to 35 U.S.C. § 101 Require Impermissible Fact-Weighing at
the Pleadings Stage

Pursuant to prevailing Federal Circuit precedent, the Supreme Court's test for determining patent eligibility under *Alice* comprises issues of fact in both steps one and two. Specifically, *Alice* step one concerns at least factual considerations of commercial success. Data Engine Techs., 906 F.3d at 1008 (considering industry praise and commercial success in *Alice* step one.) *Alice* step two concerns at least factual considerations concerning secondary indicia of patentability, including commercial success, as well as what was "well-understood, routine, [and] conventional" to a person of ordinary skill in the art at the time of invention. See Aatrix, 882 F.3d at 1128 ("... that question cannot be answered adversely to the patentee based on the sources properly considered on a motion to dismiss, such as the complaint, the patent, and materials subject to judicial notice."); Berkheimer, 881 F.3d at 1368. This Court has suggested agreement that factual considerations exist in the context of § 101 analyses. Microsoft, 564 U.S. at 96 ("To receive patent protection a claimed invention must, among other things, fall within one of the express categories of patentable subject matter, § 101, and be novel, § 102, and nonobvious, § 103. . . . In evaluating whether these and other statutory conditions have been met, PTO examiners must make various factual determinations--for instance, the state of the prior art in the field and the nature of the advancement embodied in the invention."); see also Berkheimer, 881 F.3d at 1368 ("the Supreme

Court recognized that in making the § 101 determination, the inquiry 'might sometimes overlap' with other fact-intensive inquiries like novelty under § 102") (quoting Mayo, 566 U.S. at 90 ("We recognize that, in evaluating the significance of additional steps, the § 101 patent eligibility inquiry and, say, the § 102 novelty inquiry might sometimes overlap.")).

A granted patent categorically meets all the requirements of at least §§ 101, 102, and 103. See Microsoft, 564 U.S. at 96; 35 U.S.C. §§ 151, 131. A patentee that alleges infringement of a granted patent inherently alleges that it meets each of the foregoing factual elements of patent validity and eligibility. See, e.g., Microsoft, 564 U.S. at 96; 35 U.S.C. § 271. The only way a district court can find that a patentee has not met its burden of asserting the factual allegations of validity and eligibility is if weighs the factual elements. This is impermissible under Rule 12(b)(6). Iqbal, 556 U.S. at 678. Indeed, a district court is *required* to take each of the patentee's factual allegations concerning patent validity and eligibility as true. *Id.* Thus, upon a patentee's assertion of patent eligibility, a district court is *required* to find at the pleading stage that the asserted patent is directed to subject matter is not "wellunderstood, routine, and conventional" to a person of ordinary skill in the art at the time of the invention. Upon a patentee's assertion of commercial success of the claimed invention, a district court is likewise *required* to find at the pleading stage that the claimed invention is not directed to an abstract idea.

Notwithstanding the foregoing requirements, the Federal Circuit (and thus all district courts relying on the Federal Circuit) has unilaterally determined it can

construe a patent's specification to make factual determinations and weigh factual issues concerning patent eligibility. The alleged basis for this erroneous practice is Mayo, in which this Court rightly concluded, notably on a summary judgment motion, that an explicit admission in an asserted patent can serve as a basis to conclude certain claimed elements are well-understood, routine, and conventional. For instance, the patent at issue in Mayo explicitly stated that a claimed element, namely "determining the level of 6-thioguanine," was well-known and even discussed research studies performing the claimed step:

The level of a 6-MP metabolite can be determined by methods well known in the art

. . .

Previous studies suggested that measurement of 6-MP metabolite levels can be used to predict clinical efficacy and tolerance to azathioprine or 6-MP (Cuffari et al., Gut 39:401-406 (1996a))

App. 72a-79a at 8:37-40 (cited by *Mayo*, 577 U.S. at 79).

However, the Federal Circuit has perverted *Mayo* to make analogous conclusions at the pleading stage (not just at the summary judgment stage) even when there is *no analogous specific admissions in the patent*. Further, the Federal Circuit applies alleged admissions to an entire claim, not one of numerous claim elements like in *Mayo*. The result is impermissible factual finding at the pleading stage that is not based on the *evidence*. This is precisely what happened below. The alleged "admissions" in the '468 Patent on which the lower courts rely as "evidence" of ineligibility describe the invention and look nothing like that in *Mayo*:

The device includes a computer and a database containing a plurality of client reminders.

. . .

The device also includes software executing on the computer for automatically querying the database by date to retrieve a client reminder, for automatically generating a client response form based on the retrieved client reminder, and for automatically transmitting the client response form to the client through a communication link between the computer and the Internet.

. . .

Software executing on a professional computer 12 automatically queries a docket database 14 by date to retrieve a client reminder (not shown).

. . .

Software executing on the professional computer 12 automatically merges the date and the client information 40 with the response form/client notice 44, and automatically transmits the merged response form/client notice 46 by email through an Internet communication link 18 to a client computer 20.

. . .

The merged client email notice 50 contains a statement directed to the client that a deadline is approaching and that a response is necessary, and also contains a URL 58 which points to the response form web page 52.

App. 48-58a at 2:37-47, 3:18-21, 4:31-36, 5:22-26; see also App. 25a, 8a-9a. Mere use of the words "computer," "database," "Internet communication link," or "web page" is not and cannot be construed as an admission that these items in the context of the claims are "well-understood, routine, [and] conventional" at the time of the invention. A patent filed today that uses the term "neuro-link" is not an admission that "neuro-links" are "well-understood, routine [and] conventional" today even if

twenty years from now they are ubiquitous in society. More evidence is needed and must be weighed beyond the pleading stage to make this factual determination.

The courts below did not take as true or rely on WhitServe's allegations that the patent is directed to eligible subject matter. The courts instead based their 12(b)(6) conclusions on what they considered in their own minds to be "well-understood, routine [and] conventional" at the time of invention in 1996 to a person of ordinary skill in the art. The courts then weighed and relied upon their judicially-created non-evidence to reach a conclusion of patent ineligibility. This improper practice is carried out in cases throughout the country as courts aim to remove patent cases from their dockets at the pleading stage. However, improper fact-finding such as this does not comport with this Court's clear instructions to take a plaintiff's factual allegations as true. Rather, the result is a summary judgment analysis that is not as strict as the analysis under Rule 12(b)(6). Moreover, when a motion to dismiss is granted with prejudice, as in WhitServe's case, the patent owner is provided no opportunity to cure any alleged deficiencies through amendment.

The subtle shift in legal standards played out in WhitServe's case. The Federal Circuit specifically considered whether any "plausible factual disputes" existed with respect to the § 101 analysis. This phrase is problematic. First, the inquiry is not directed to the plausibility of the claim, as required by Rule 12(b)(6), but to the "plausibility" of an existing factual dispute between competing allegations. Inquiry into the "plausibility" of factual disputes admits the existence

of one or more factual disputes that have been weighed, considered, and found to be insufficient in the mind of decision-maker. This is improper. If the attendant factual allegations relating to § 101 are construed in the plaintiff's favor, as they must be, these allegations indisputably establish a plausible claim that is sufficient to withstand a motion under 12(b)(6).

Furthermore, the Federal Circuit determined that WhitServe's evidence of commercial success and licensing did not "override" its conclusion of ineligibility. Again, this is improper fact-weighing at the pleadings stage and worse still, this is improper fact weighing at the *appellate* stage as the district court failed to address WhitServe's licenses below or make any record of the significance of the licenses on the issue of patent eligibility. (See App. 14a-34a, App. 9a). WhitServe enjoys industry recognition and commercial success. As plead, WhitServe has licensed the Asserted Patents to over twenty companies. App. 92a, 128a. WhitServe has also successfully litigated the Asserted Patents against industry participants. App. 92a-93a, 128a-129a. Despite this, the district court never even acknowledged industry recognition and licensing activity related to the Asserted Patents. Because of the district court's failure, the Federal Circuit was not able to even consider this evidence, much less make a conclusion whether it "overrides" other information. As in Data Engine, WhitServe's objective evidence, as plead, supports a finding that the claims are directed to technology that was valued by the industry rather than an abstract idea—a finding that must be resolved in WhitServe's favor under Rule 12(b)(6).

This petition should be granted to address the foregoing incongruent and erroneous legal holdings that are being replicated year over year.

B. Dismissals of Patent Infringement Actions Under Rule 12(b)(6)
Pursuant to 35 U.S.C. Section 101 Gut the Statutory Presumption of
Eligibility Provided by 35 U.S.C. Section 282(a)

The serial fact-weighing described above that occurs repeatedly in America's court system is sufficient to warrant this Court's discretionary review. But what is even more concerning about this fact-weighing in the patent infringement context is the existence of a statutory presumption of validity and eligibility. This presumption has been explicitly established by Congress and conferred by the United States Patent Office after a thorough review of a patent application by experts tasked with this responsibility on behalf of the American public.

Statutory presumptions establish the factual assertions underlying them that must be taken as true in the plaintiff's favor at the pleading stage. This is true for patent eligibility as much as it is for patent validity under §§ 102 and 103. It is for this reason that courts would not entertain the substance of an anticipation or obvious challenge at the pleading stage. Litigants do not even file such motions because of the certainty of failure. The same considerations apply to patent eligibility, which likewise cannot be determined without fact-weighing.

In view of the factual considerations underlying § 101, alone or in combination with the statutory presumption of 35 U.S.C. § 282(a), a patentee alleging patent infringement cannot be deemed to have asserted an invalid or ineligible patent at the pleading stage. Such a finding necessarily must reach the "clear and convincing evidence" standard required to find invalidity/ineligibility.

This standard cannot be reached at the pleading stage when all factual assertions are taken as true in the patentee's favor. This is especially true when neither the defendant asserts, nor the court considers, any "evidence" contradicting the asserted patent. Accordingly, the statutory presumption of § 282(a) precludes a district court from dismissing a patent infringement complaint at the pleading stage by determining that an asserted patent is not directed to patent-eligible subject matter.

II. This Is An Emblematic Case That Is An Appropriate Vehicle To Resolve The Important Federal Question Presented Herein

The question presented in this petition is procedural in nature. Petitioner is not currently appealing or disputing the lower courts' characterization of the '468 Patent or its claims, or the lower courts' review of representative claims. Petitioner is appealing the legal conclusions drawn by the lower courts and the erroneous resolution of questions of fact underlying those conclusions against Petitioner in contravention to Rule 12(b)(6) and/or 35 U.S.C. § 282(a). The district court and Federal Circuit below squarely and fully (albeit wrongly) addressed the question presented in this petition and were harmonious in their error, which so far departs from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's supervisory power. Without this Court's substantive review, the lower courts' error has been established as the "law of the land" in the United States and has been and will continue to be replicated throughout the country (with increasing frequency) to the detriment of quintessential American innovators like WhitServe. Moreover, the Federal Circuit applies its improper legal analysis

inconsistently, in effect leading to an internal circuit split necessitating the Court's resolution of the question answered in this petition. *Compare, e.g., SAP America, Inc. v. InvestPic, LLC*, 898 F.3d 1161 (Fed. Cir. 2018) *with Berkheimer*, 881 F.3d at 1360. Petitioner respectfully submits that the question presented is ready for review and respectfully requests that this Court grants the present petition for review or grants certiorari, vacates the lower courts' orders, and remands.

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