

No. 21-1228

IN THE
Supreme Court of the United States

AMERANTH, INC.
Petitioner,

v.

OLO INC.,
Respondent.

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

BRIEF IN OPPOSITION

HEIDI L. KEEFE
Counsel of Record
LOWELL D. MEAD
COOLEY LLP
3175 Hanover Street
Palo Alto, CA 94304
(650) 843-5000
hkeefe@cooley.com

May 5, 2022

Counsel for Respondent

QUESTION PRESENTED

Whether the asserted patent claims are ineligible under 35 U.S.C. § 101, as the district court correctly concluded in an opinion summarily affirmed by the Federal Circuit.

RULES 24(B) AND 29.6 STATEMENT

Olo Inc. does not have a parent corporation, and no publicly held corporation owns 10% or more of the stock of Olo Inc.

TABLE OF CONTENTS

	Page
QUESTION PRESENTED.....	i
RULES 24(B) AND 29.6 STATEMENT.....	ii
TABLE OF AUTHORITIES.....	v
INTRODUCTION.....	1
STATEMENT	4
I. Abstract Ideas, Laws of Nature, and Natural Phenomena Have Long Been Recognized as Non-Patent Eligible	4
II. The Settled Two-Step Test to Determine Patent Eligibility Consistently Leads to the Invalidation of Patent Claims Like Petitioner’s	5
III. The Asserted Patent Claims Are Directed To An Abstract Idea, Without Reciting Any Inventive Concept.....	7
A. The Asserted Patent Is Part of a Family of Invalid Related Patents	7

TABLE OF CONTENTS
(continued)

Page

B.	The District Court Held, and the Federal Circuit Summarily Affirmed, That the Asserted Patents Claims Are Ineligible Under Section 101.....	10
	REASONS FOR DENYING THE PETITION	15
I.	Petitioner Waived the Issues in the Questions Presented	15
II.	This Case Should Not Be Held Pending Disposition of <i>American Axle</i>	18
A.	No Resolution of <i>American Axle</i> Would Change the Result Here	18
B.	The Federal Circuit’s Decision is Correct	21
	CONCLUSION	25

TABLE OF AUTHORITIES

	Page(s)
Cases:	
<i>Adarand Constructors, Inc. v. Mineta</i> , 534 U.S. 103 (2001).....	18
<i>Alice Corp. v. CLS Bank International</i> , 573 U.S. 208 (2014).....	<i>passim</i>
<i>Am. Axle & Mfg., Inc. v. Neapco Holdings LLC</i> , 939 F.3d 1355 (Fed. Cir. 2019), <i>reh’g granted</i> , <i>opinion withdrawn</i> , 966 F.3d 1294 (Fed. Cir. July 31, 2020), <i>and opinion modified and</i> <i>superseded on reh’g</i> , 967 F.3d 1285 (Fed. Cir. 2020)	<i>passim</i>
<i>Ameranth, Inc. v. Domino’s Pizza, LLC</i> , 792 Fed.Appx. 780 (Fed. Cir. 2019).....	<i>passim</i>
<i>Apple, Inc. v. Ameranth, Inc.</i> , 842 F.3d 1229 (Fed. Cir. 2016)	<i>passim</i>
<i>Ashcroft v. Iqbal</i> , 556 U.S. 662 (2009).....	2, 23
<i>Bell Atlantic Corp. v. Twombly</i> , 550 U.S. 544 (2007).....	2, 23
<i>BSG Tech. LLC v. Buyseasons, Inc.</i> , 899 F.3d 1281 (Fed. Cir. 2018)	24
<i>Cellspin Soft, Inc. v. Fitbit, Inc.</i> , 927 F.3d 1306 (Fed. Cir. 2019)	3, 23
<i>ChargePoint, Inc. v. SemaConnect, Inc.</i> , 920 F.3d 759 (Fed. Cir. 2019)	6

TABLE OF AUTHORITIES

(continued)

	Page(s)
<i>Diamond v. Chakrabarty</i> , 447 U.S. 303 (1980).....	24
<i>Elec. Commc’n Techs., LLC v. ShoppersChoice.com, LLC</i> , 958 F.3d 1178 (Fed. Cir. 2020)	6
<i>ENCO Sys., Inc. v. DaVincia, LLC</i> , No. 21-457, 142 S.Ct. 435 (Nov. 1, 2021)	18-19
<i>Fast 101 Pty. Ltd. v. Citigroup Inc.</i> , No. 20-1517, 141 S.Ct. 2725 (U.S. June 7, 2021)	18
<i>Gabara v. Facebook, Inc.</i> , No. 21-1106, 142 S.Ct. 1233 (Mar. 7, 2022)	19
<i>iLife Techs., Inc. v. Nintendo of Am., Inc.</i> , No. 20-1760, 142 S.Ct. 109 (U.S. Oct. 4, 2021)	18
<i>In re TLI Commc’ns LLC Patent Litig.</i> , 823 F.3d 607 (Fed. Cir. 2016)	6
<i>Intellectual Ventures I LLC v. Capital One Fin. Corp.</i> , 850 F.3d 1332 (Fed. Cir. 2017)	6
<i>Le Roy v. Tatham</i> , 14 How. 156 (1853)	4
<i>Mayo Collaborative Services v. Prometheus Laboratories, Inc.</i> , 566 U.S. 66 (2012).....	5, 24

TABLE OF AUTHORITIES
(continued)

	Page(s)
<i>O'Reilly v. Morse</i> , 56 U.S. 62 (1853).....	17
<i>SAP Am., Inc. v. Investpic, LLC</i> , 898 F.3d 1161 (Fed. Cir. 2018)	6
<i>Sprietsma v. Mercury Marine</i> , 537 U.S. 51 (2002).....	15-16
<i>Two-Way Media Ltd. v.</i> <i>Comcast Cable Commc'ns, LLC</i> , 874 F.3d 1329 (Fed. Cir. 2017)	6, 24
<i>United States v. United Foods, Inc.</i> , 533 U.S. 405 (2001).....	16
<i>VoIP-Pal.com v. Apple, Inc., et al.</i> , No. 20-1809, 142 S.Ct. 116 (U.S. Oct. 4, 2021) ...	18
Statutes and Other Authorities	
35 U.S.C. § 101	<i>passim</i>
Fed. R. Civ. P. 12(b)(6)	2, 19, 23

INTRODUCTION

The Federal Circuit summarily affirmed the district court's well-reasoned order applying the patent-eligibility framework set forth in *Alice Corp. v. CLS Bank International*, 573 U.S. 208 (2014), to conclude that the asserted patent claims are directed to an abstract idea and do not recite any inventive concept. This case does not remotely warrant this Court's review.

The patent at issue is part of a family of invalid related patents. Two prior Federal Circuit panels unanimously held ineligible the challenged claims of four related patents asserted by petitioner. *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229 (Fed. Cir. 2016); *Ameranth, Inc. v. Domino's Pizza, LLC*, 792 F. App'x 780 (Fed. Cir. 2019). In June 2020, petitioner filed a petition to this Court for a writ of certiorari in *Domino's Pizza*. The petition was denied. *Ameranth, Inc. v. Domino's Pizza, LLC*, 141 S. Ct. 249 (2020). There is no basis for any different outcome here.

Petitioner does not identify any issue warranting certiorari review that arises specifically from this case. Instead, petitioner seeks a "hold" to delay final resolution of this case until some future date, such as after the disposition of the pending petition in *American Axle & Manufacturing, Inc. v. Neapco Holdings LLC*, No. 20-891, 2019 WL 11611081 (2019). But no "hold" is justified in this case, for two independent reasons. First, petitioner waived its right to raise the two questions presented in *American Axle*—which petitioner copies as its questions presented here—by failing to preserve those questions in the proceedings below.

Second, this is a straightforward case of Section 101 ineligibility whose outcome would not change regardless of how *American Axle* is resolved. In *American Axle*, there are differing views as to whether the asserted patent claims are directed to the use of a natural, specifically Hooke's Law, which addresses the relationship between an object's frequency, mass, and stiffness. Here, the asserted patent is directed to an abstract idea for automating hospitality services, such as restaurant food orders, that were traditionally performed with "pen and paper." C.A. App. 76-77 ('651, col. 1:38-41, 2:52-55, 3:1-14). But the patent fails to describe or claim any inventive new hardware and/or software detailing *how* to achieve the idea. On the contrary, the patent proclaims that the purported invention uses "commonly known" software programming steps and "typical hardware elements," disavowing any inventive new hardware and/or software. C.A. App. 82 ('651, col. 13:12-17), C.A. App. 78-79 ('651, col. 6:63-7:18). This is thus a classic instance of ineligibility under Section 101. "It is not enough to point to conventional applications and say 'do it on a computer.'" *Apple*, 842 F.3d at 1243 (citing *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. at 222).

These dispositive admissions in the patent directly contradicted and rendered implausible the conclusory allegations, legal contentions, and opinions of petitioner and its proffered expert. The district court therefore was not required to accept those assertions as true on a Rule 12(b)(6) motion to dismiss. *Ashcroft v. Iqbal*, 556 U.S. 662-64, (2009); *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007);

Cellspin Soft, Inc. v. Fitbit, Inc., 927 F.3d 1306, 1317-18 (Fed. Cir. 2019). Nor did the district court judge (Chief Judge Stark of the District of Delaware, who was recently sworn in at the Federal Circuit) show any predisposition against patent-eligibility or otherwise rule inappropriately as petitioner insinuates. In fact, in the same opinion addressing the patent at issue here, the district court denied two other Section 101 invalidity motions in unrelated actions. *See* Pet. Appx. B.

Furthermore, to the extent there may be any divisions in the Federal Circuit regarding patent-ineligibility as relates to the patent claims at issue in *American Axle*, those divisions do not apply to the claims at issue here. In this case, the same judges who were divided in *American Axle* unanimously agreed, and summarily affirmed, that the claims are ineligible under Section 101. Specifically, in *American Axle*, Judge Taranto and Judge Dyk joined the majority opinion holding the patent claims ineligible, while (now-Chief) Judge Moore authored the panel dissent. *Am. Axle & Mfg., Inc. v. Neapco Holdings LLC*, 939 F.3d 1355 (Fed. Cir. 2019), *reh'g granted, opinion withdrawn*, 966 F.3d 1294 (Fed. Cir. 2020), *and opinion modified and superseded on reh'g*, 967 F.3d 1285 (Fed. Cir. 2020). In the present case, Chief Judge Moore and Judge Taranto, along with Judge Prost, unanimously agreed that the claims are so clearly ineligible that no opinion was even required. In addition, Judges Dyk, Chen, Plager, Reyna, Stoll, and then-Chief Judge Prost previously joined the unanimous panels holding ineligible the similar

claims of the four related patents of petitioner. *Apple*, 842 F.3d 1229; *Domino's Pizza*, 792 F. App'x 780.

The petition should be denied.

STATEMENT

I. Abstract Ideas, Laws of Nature, and Natural Phenomena Have Long Been Recognized as Non-Patent Eligible.

Section 101 of the Patent Act sets out the subject matter eligible for patent protection: “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.” 35 U.S.C. § 101. For over 150 years, this Court has held that laws of nature, natural phenomena, and abstract ideas—“the basic tools of scientific and technological work”—are not patentable, and has interpreted Section 101 accordingly. *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208, 216 (2014) (collecting cases, including *Le Roy v. Tatham*, 55 U.S. 156, 174–75 (1852)) (quotation marks omitted). Those three categories are patent ineligible because “monopolization of those tools through the grant of a patent might tend to impede innovation more than it would tend to promote it.” *Id.* (citation omitted). That concern has been described “as one of pre-emption”—essentially, patents that improperly claim the “building blocks of human ingenuity” stifle innovation. *Id.*

With the popularization of computers, this Court has expressed specific concern about patents that

attempt to circumvent these principles of patentability by reciting generic computer components to implement an otherwise unpatentable concept. Accordingly, this Court explained in *Alice* that “the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.” *Alice*, 573 U.S. at 222-23 (“Nor is limiting the use of an abstract idea to a particular technological environment.”) (internal quotation marks and citation omitted)). Generic computer implementation provides no “practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself.” *Id.* at 223-24 (brackets in original; citation omitted).

II. The Settled Two-Step Test to Determine Patent Eligibility Consistently Leads to the Invalidation of Patent Claims Like Petitioner’s.

This Court’s 2014 decision in *Alice*, relying on its earlier rulings, including *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. 66 (2012), confirmed that courts apply a two-step test to determine patent eligibility under Section 101. First, the court determines if the claim at issue is directed to a patent-ineligible concept. *Alice*, 573 U.S. at 217-18. If so, then the court determines whether the claim recites an “inventive concept” sufficient to “transform the nature of the claim into a patent-eligible application.” *Id.* (quotation marks omitted). That second step is intended “to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.” *Id.* at 218-19 (quotation marks omitted, brackets in original).

Consistent with *Alice*, the Federal Circuit has repeatedly applied that two-step test to invalidate generic computer and software patent claims like those at issue here, including the four related patents of petitioner and many others. *E.g.*, *Elec. Comm’n Techs., LLC v. ShoppersChoice.com, LLC*, 958 F.3d 1178, 1182 (Fed. Cir. 2020) (patent directed to the abstract idea of “providing advance notification of the pickup or delivery of a mobile thing” which “amounts to nothing more than gathering, storing, and transmitting information”); *ChargePoint, Inc. v. SemaConnect, Inc.*, 920 F.3d 759, 769 (Fed. Cir. 2019) (focus of claims was communicating and receiving communication information over a network); *SAP Am., Inc. v. Investpic, LLC*, 898 F.3d 1161, 1167 (Fed. Cir. 2018) (claims directed to “selecting certain information, analyzing it using mathematical techniques, and reporting or displaying the results of the analysis”); *Two-Way Media Ltd. v. Comcast Cable Commc’ns, LLC*, 874 F.3d 1329, 1337-38 (Fed. Cir. 2017) (claims directed to sending, directing, monitoring, and accumulating audio/visual information in a network); *Intellectual Ventures I LLC v. Capital One Fin. Corp.*, 850 F.3d 1332, 1340 (Fed. Cir. 2017) (claims directed to “the abstract idea of collecting, displaying, and manipulating data”); *In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 611 (Fed. Cir. 2016) (using a generic telephone environment to classify and store images).

III. The Asserted Patent Claims Are Directed To An Abstract Idea, Without Reciting Any Inventive Concept.

A. The Asserted Patent Is Part of a Family of Invalid Related Patents.

This case was the latest action in a long-running litigation campaign by petitioner asserting a family of invalid patents against dozens of defendants.

In 2007, petitioner sued Menusoft, Inc. in the Eastern District of Texas on related U.S. Patent Nos. 6,384,850 (the “850 patent”) 6,871,325 (the “325 patent”), and 6,982,733 (the “733 Patent”). The ’850 and ’325 patents are earlier patents that share a written description, and the ’733 patent is a continuation-in-part of the ’850 patent. In 2010, a jury found all asserted claims of those three patents invalid and not infringed. *Ameranth, Inc. v. Menusoft, Inc.*, 2:07-cv-00271, 2010 WL 4165743 (E.D. Tex. Sept. 20, 2010).

In 2011-2012, petitioner sued more than 30 defendants in the Southern District of California. The defendants included the respondent here. In those cases, petitioner asserted the ’850, ’325, and ’733 patents and related U.S. Patent No. 8,146,077 (the “077 patent”). The ’077 patent is a continuation of the ’733 patent and shares the same written description.

The Federal Circuit ultimately held that the asserted claims of the ’850, ’325, ’733, and ’077 patents were invalid under § 101. First, the defendants filed Covered Business Method review petitions with the Patent Trial & Appeal Board (“PTAB”) challenging

certain claims of the '850, '325, and '733 patents based on invalidity under § 101 and other grounds. The PTAB found most of the challenged claims invalid under § 101 and found that a few dependent claims had not been proven invalid. On appeal, the Federal Circuit affirmed the findings of invalidity and reversed as to the dependent claims, holding them invalid as well. *Apple*, 842 F.3d 1229. The Court held that the claims were directed to an abstract idea:

We affirm the Board's conclusion that the claims in these patents are directed to an abstract idea. The patents claim systems including menus with particular features. They do not claim a particular way of programming or designing the software to create menus that have these features, but instead merely claim the resulting systems. Essentially, the claims are directed to certain functionality — here, the ability to generate menus with certain features. Alternatively, the claims are not directed to a specific improvement in the way computers operate.

Apple, 842 F.3d at 1241 (citations omitted).

The Court then held that the claims fail to recite an inventive concept in view of the patents' admissions that they rely on "typical" hardware and "commonly known" software, explaining:

The preferred embodiment of the claimed invention described in the specifications is a restaurant preparing a device that can be used

by a server taking orders from a customer. The claimed invention replaces a server's notepad or mental list with an electronic device programmed to allow menu items to be selected as a customer places an order. As noted above, the specifications describe the hardware elements of the invention as "typical" and the software programming needed as "commonly known." The invention merely claims the addition of conventional computer components to well-known business practices.

Id. at 1242.

After *Apple*, litigation on the related '077 patent proceeded in the Southern District of California. In 2018, the court granted summary judgment that the asserted claims of the '077 patent are invalid under § 101. *Ameranth, Inc. v. Pizza Hut, Inc.*, No. 3:11-cv-1810 DMS-WVG, Dkt. No. 1395 (S.D. Cal. Sept. 25, 2018).

In October 2019, the Federal Circuit in *Domino's Pizza* affirmed the district court's invalidity ruling with substantially similar reasoning as in *Apple*. *Domino's Pizza*, 792 F. App'x 780. At *Alice* step one, the Court held that the claims were directed to the ineligible abstract idea of "configuring and transmitting hospitality menu related information using a system that is capable of synchronous communications and automatic formatting." *Domino's Pizza*, 792 F. App'x at 786-87 (citations omitted). The Court held that the "claims fail to recite a practical way of applying an underlying idea . . . and instead

were drafted in such a result-oriented way that they amounted to encompassing “the principle in the abstract’ no matter how implemented.” *Id.* (citation and brackets omitted). The Court determined that the claims recited “essentially result-focused and functional language” that does “not describe the software other than results sought to be achieved.” *Id.* (citation and quotations omitted).

At step two, the Court relied upon the specification’s admissions as in *Apple*. The Court stated:

The specification acknowledges that the “functions falling within the described invention” can be based on “commonly known” programming steps, ’077 patent, col. 12, ll. 57-61, and the claim limitations describe a desired result but do not instruct how to accomplish that result. The alleged abstract idea cannot, itself, provide an inventive concept.

Id. at 787. The Court held that expert and inventor testimony submitted by petitioner failed to avoid invalidity as a matter of law. *Id.* at 788.

B. The District Court Held, and the Federal Circuit Summarily Affirmed, That the Asserted Patents Claims Are Ineligible Under Section 101.

Petitioner filed the instant case against respondent on April 16, 2020, alleging infringement of U.S. Patent No. 9,747,651 (“651 patent”). Most of the ’651 patent specification is the same as the invalidated

'077 patent from *Domino's Pizza*, including all of the Background of the Invention section, all of the Summary of the Invention section, Figures 1-9, and the detailed description of the preferred embodiment corresponding to Figures 1-9.

The Background of the Invention describes the purported deficiencies in the prior art. Hospitality service providers, such as restaurants, used “pen and paper” to take orders and reservations verbally, without the efficient use of electronic systems. C.A. App. 76 (1:38-41) (“pen and paper have prevailed in the hospitality industry, e.g. for restaurant order, reservations and wait list management”), (2:52-55) (“paper-based ordering, waitlist and reservations management have persisted in the face of widespread computerization”).

The specification purports to automate those pen-and-paper business practices with a generic “information management and synchronous communications system” where hospitality-related information can be communicated automatically among connected system components. C.A. App. 77 (3:1-24) (discussing the purported objects of the invention), C.A. App. 77-78 (3:28-5:47) (Summary of the Invention: “The foregoing and other objects of the present invention are provided by a synchronous information management and communications system and method . . .”).

The specification discusses an embodiment of such a “communications system” as reflected in Figures 1-9 and their corresponding text. Among other things, Figure 9 shows a system overview including

boxes identifying desired functional results. C.A. App. 74 (Fig. 9). Figure 9 shows a “Communications Controller” box in its center. *Id.* The specification states that a “communications control program monitors and routes all communications to the appropriate devices.” C.A. App. 80 (10:53-59).

Beyond those portions of the specification that overlap with the invalid '077 patent, the '651 specification contains additional content. C.A. App. 82-84 (13:7-11, 13:36-18:62), C.A. App. 75 (Fig. 10). The additional content discloses no patent-eligible improvement. It adds ideas for adding messaging features to the system (e.g., text and/or voice messaging for reservation appointments and waitlists), but describes those ideas only in high-level functional terms without any technical details. *See id.* For example, information from a user may be “converted” to another form (e.g., “text-to-voice”) but the patent states only the desired results; it does not describe any underlying conversion technology. *E.g.*, C.A. App. 82-83 (13:7-11, 14:34-57, 15:15-47). Figure 10 of the patent reflects this “conversion” notion. Figure 10 is mostly identical to Figure 9; it adds two black-box circles labeled “Communication Conversions. C.A. App. 75 (Fig. 10). The patent also adds that a computer might serve as an “automated reservations assistant” to communicate with a user, but does not describe any detailed technical foundation for this high-level idea. C.A. App. 82-83 (14:66-15:51).

The '651 specification repeats verbatim the same admissions the Federal Circuit relied upon in holding invalid the four related patents in *Apple* and *Domino's*

Pizza. The disclosed system uses only conventional “typical hardware elements,” not any new inventive device:

The preferred embodiment of the present invention uses typical hardware elements in the form of a computer workstation, operating system and application software elements which configure the hardware elements for operation in accordance with the present invention.

C.A. App. 78-79 (6:63-7:18). The ’651 patent also does not describe any inventive software. On the contrary, it states:

The software applications for performing the functions falling within the described invention can be written in any commonly used computer language. The discrete programming steps are commonly known and thus programming details are not necessary to a full description of the invention.

C.A. App. 82 (13:12-17).

Because the specification disavows any inventive hardware or software, it is no surprise that the claims do not recite any either. The asserted claims recite only functional result-oriented language. Specifically, ’651 claims 1, 3, 6, 9, 10, and 11 (the “Asserted Claims”) were held invalid. Independent claims 1 and 3 each recite a similar system with high-level references to generic components and desired functional results for communication. C.A. App. 86-87 (claims 1 and 3). Dependent claim 6 adds that the

hospitality application includes food/drink ordering, integrated with a frequency/rewards application. *Id.*, claim 6. Claims 9 and 10 recite that mobile applications are “used to interface” with back office software. *Id.*, claims 9 and 10. Claim 11 adds that the system is configured to enable use of a smart phone. *Id.*, claim 11.

The district court’s opinion explains the basis for ruling the Asserted Claims ineligible under § 101. The district court adopted Ameranth’s proposed claim constructions for purposes of the decision. Pet. Appx. B at 23a-24a. At *Alice* step one, the district court determined that the asserted claims are directed to the abstract idea of “communicating hospitality-related information using a system that is capable of synchronous communications and messaging.” *Id.* The district court cited the specification and stated object of the invention to support this determination. Pet. Appx. B at 24a-25a. The district court further observed that the claims provide only “results-focused and functional language without providing any specifics as to how to carry out the desired goal.” Pet. Appx. B at 25a. The district court cited *Apple* and *Domino’s Pizza* as supporting precedent. *Id.* The district court further noted that the additional material in the ’651 specification beyond the previously-invalidated patents, including Figure 10 and its corresponding text, provides only “more high level results-focused ideas.” *Id.* The district court also observed that because the specification explains that it is directed to “computerizing the traditional pen-and-paper” ordering and reservations, “[t]his is not a computer only problem.” Pet. Appx. B at 26a-27a.

At *Alice* step two, the district court found that no well-pled factual allegations precluded judgment as a matter of law. Pet. Appx. B at 27a-31a. The district court determined that no material plausible factual allegations were sufficiently pleaded by Ameranth, including in the proffered declaration of a purported expert, other than allegations that were “contradicted by the patent itself” and “merely conclusory.” Pet. Appx. B at 28a. The district court further cited the specification’s admissions that the disclosed idea would be implemented with “typical” computer hardware and “well-known” software programming. *Id.* The district court addressed each asserted claim and determined that their additional limitations beyond the abstract idea provide no inventive concept as they “just add more high-level ideas but no discussion of how to implement or accomplish the goal.” Pet. Appx. B at 32a-33a.

Petitioner appealed to the Federal Circuit, which received briefing and conducted oral argument before a panel comprised of Chief Judge Moore, Judge Prost, and Judge Taranto. Two days after the oral argument, the Federal Circuit summarily affirmed the district court’s judgment. Pet. Appx. A.

REASONS FOR DENYING THE PETITION

I. Petitioner Waived the Issues in the Questions Presented.

Prior to its petition for writ of certiorari, petitioner never raised the issues set forth in its questions presented, which are copied from those in the *American Axle* petition. Petitioner therefore waived these issues. *See Sprietsma v. Mercury*

Marine, 537 U.S. 51, 56, n.4 (2002) (“Because this argument was not raised below, it is waived.”); *United States v. United Foods, Inc.*, 533 U.S. 405, 417 (2001) (declining to allow petitioner to assert “new substantive arguments” attacking the judgment “when those arguments were not pressed in the court whose opinion we are reviewing, or at least passed upon by it”).

As to the first question presented both by the petition here and the petition in *American Axle* (the appropriate standard for applying *Alice* step one), petitioner never argued below that the standard for *Alice* step one should be revisited. Petitioner’s briefing at the district court and Federal Circuit merely cited *Alice* as the governing law. Civil Action No. 20-518-LPS (D. Del.), Dkt. Nos. 12, 19; Case No. 2021-1211 (Fed. Cir.), Dkt. Nos. 19, 23. Likewise, as to the second question presented (whether patent eligibility is a question of law or a question of fact), petitioner never argued that patent eligibility is a question of fact that requires a jury. *See id.* Petitioner did not raise in the district court or at the Federal Circuit the arguments regarding Section 101 law that it now belatedly seeks to raise (Pet. at 15-27). *See id.*

Petitioner has no justification for its failure to raise the issues underlying both questions, especially since petitioner was well aware of the *American Axle* case. In *American Axle*, the Federal Circuit issued its order granting rehearing and modified opinion on July 31, 2021 (966 F.3d 1294, 967 F.3d 1285). The following week, petitioner cited the *American Axle* modified opinion in its brief in the district court opposing

respondent's motion to dismiss, but cited only the majority opinion of *American Axle*, and only for its discussion of *O'Reilly v. Morse*, 56 U.S. 62 (1853) regarding written description in the patent specification. Civil Action No. 20-518-LPS (D. Del.), Dkt. No. 12 at 18. Petitioner did not cite or discuss the dissenting opinion in *American Axle* and did not raise the legal issues that petitioner now seeks to raise via the present petition.

Petitioner's Federal Circuit briefing likewise relied on the *American Axle* majority opinion, treating *Alice* as well-settled law, and did not raise the questions petitioner belatedly now seeks to raise. Case No. 2021-1211 (Fed. Cir.), Dkt. No. 23 at 35-36, 45.

Petitioner's waiver is all the more glaring given that the petition for certiorari in *American Axle* was pending during the appeal in this case, but petitioner did not raise its questions presented. Instead, petitioner made a strategic decision to treat *Alice* as settled law and argue only the case-specific merits. The petition in *American Axle* was filed the same day as petitioner filed its opening brief with the Federal Circuit in this case, on December 28, 2020. Petitioner itself filed an amicus brief in support of the *American Axle* petition on March 1, 2021. Petitioner did not file its reply brief at the Federal Circuit in this case until April 28, 2021, and oral argument was not conducted until October 6, 2021. But petitioner did not raise in its appeal in this case, either in its reply brief or in any request for supplemental briefing, the legal issues raised in the *American Axle* petition that petitioner now seeks to raise in its petition. Petitioner also did

not request either panel rehearing or rehearing *en banc* by the Federal Circuit.

Having failed to properly preserve the questions belatedly raised in its petition, it is too late for petitioner to seek to raise them now. *See Adarand Constructors, Inc. v. Mineta*, 534 U.S. 103, 109 (2001) (“We ordinarily ‘do not decide in the first instance issues not decided below.’”) (citation omitted). The petition can and should be denied on this ground alone.

II. This Case Should Not Be Held Pending Disposition of *American Axle*.

A. No Resolution of *American Axle* Would Change the Result Here.

Although petitioner’s waiver is dispositive, this case also does not warrant a hold pending disposition of *American Axle* because any resolution of the questions presented in *American Axle* will not affect the outcome here. The only common thread between this case and *American Axle* is that they both involve Section 101. Yet the Federal Circuit hears many Section 101 cases every year, and this Court should not open the floodgates to petitions seeking to hold all Section 101 cases pending resolution of *American Axle*. Indeed, this Court already has denied review in numerous Section 101 cases asking for a hold pending *American Axle*, and it should do the same here. *E.g.*, *Fast 101 Pty. Ltd. v. Citigroup Inc.*, 141 S. Ct. 2725 (2021); *iLife Techs., Inc. v. Nintendo of Am., Inc.*, 142 S. Ct. 109 (2021); *VoIP-Pal.com, Inc. v. Apple, Inc.*, 142 S. Ct. 116 (2021); *ENCO Sys., Inc. v. DaVincia, LLC*,

142 S. Ct. 435 (2021); *Gabara v. Facebook, Inc.*, 142 S. Ct. 1233 (2022).

The Section 101 issues presented in *American Axle* and this case are entirely distinct. As explained above, patents for patentable subject matter can include “any new and useful process, machine, manufacture, or composition of matter.” 35 U.S.C. § 101. The three categories of ineligible subject matter are “[l]aws of nature, natural phenomena, and abstract ideas.” *Alice*, 573 U.S. at 216. *American Axle* involves a manufacturing-related claim and the “law of nature” exception (decided at summary judgment), while this case involves a computer-related claim directed at an abstract idea (decided on a Rule 12(b)(6) motion to dismiss).

Specifically, the *American Axle* patent claimed methods for “manufacturing a shaft assembly of a driveline system” and sought to cover a “process” under Section 101. *Am. Axle*, 967 F.3d at 1290, 1293, 1295. The case involved the question “whether the claimed methods [were] directed to laws of nature.” *Id.* at 1293. The patent claims required using Hooke’s law— $F = kx$ —a “natural law of relating frequency to mass and stiffness.” *Id.* at 1293-94, 1291. Consequently, Judge Moore’s dissent and the certiorari petition in *American Axle* are focused on the application of the “laws of nature” category, and specifically whether there was sufficient development of the factual record in *American Axle* to determine if the patent claims there were actually drawn to a patent ineligible law of nature or application thereof.

For example, because *American Axle* was decided on summary judgment, American Axle’s petition before this Court argues, among other things, that given the “factual questions of physics,” a jury should weigh the evidence to determine patent eligibility. 2019 WL 11611081, Pet. at 24. According to American Axle, the jury could “read the emails among Neapco’s engineers discussing their need to copy the ’911 patent and its teachings,” and hear “conflicting testimony of the parties’ experts.” *Id.* And as Judge Moore stated in her dissent: “If we are going to embark in a tumultuous area of law on a new test for ascertaining when claims are directed to unmentioned *natural laws*—we should do so with the benefit of briefing or even better, we should remand for the district court to apply the test in the first instance since it requires resort to extrinsic evidence.” *Am. Axle*, 967 F.3d at 1312 (emphasis added).

In contrast, petitioner’s patent claims are directed not to natural law, but to a different category of ineligible subject matter—an “abstract idea,” and specifically an abstract idea for automating hospitality business services that were traditionally performed with pen-and-paper. Moreover, the patent claims at issue here are “system” claims, not a process for manufacturing an apparatus like that at issue in *American Axle*. The district court below correctly held the patent claims ineligible because they are directed to an abstract idea and invoke only conventional hardware and software to achieve the abstract idea, without reciting any inventive concept, and the patent explicitly disavows any inventive new hardware

and/or software. The district court's conclusion was so unquestionably consistent with precedent from this Court and the Federal Circuit that the panel summarily affirmed the district court's judgment without a written opinion.

B. The Federal Circuit's Decision is Correct.

Not only does *American Axle* have no bearing on the resolution of this case, but the decision below is correct and fully consistent with Section 101. This is a straightforward case about an unremarkable and meritless claimed invention.

As the district court explained when applying *Alice* step one, the asserted claims are directed to the abstract idea of “communicating hospitality-related information using a system that is capable of synchronous communications and messaging,” as described in the specification. Pet. Appx. B at 24a-25a. The district court further observed that the claims provide only “results-focused and functional language without providing any specifics as to how to carry out the desired goal,” consistent with *Apple* and *Domino's Pizza* holding ineligible petitioner's four related patents. *Id.* The district court correctly determined that because the patent explains that it is directed to “computerizing the traditional pen-and-paper” ordering and reservations, the patent does not purport to solve “a computer only problem.” Pet. Appx. B at 26a-27a.

At *Alice* step two, the district court found that no well-pled factual allegations precluded judgment as a matter of law. Pet. Appx. B at 28a-29a. Petitioner and its proffered expert provided nothing more than

allegations that were “contradicted by the patent itself” and “merely conclusory.” *Id.* The court cited the patent’s admissions that the disclosed idea would be implemented with “typical” computer hardware and “well-known” software programming. *Id.* The court addressed each asserted claim and determined that their additional limitations beyond the abstract idea provide no inventive concept as they “just add more high-level ideas but no discussion of how to implement or accomplish the goal.” Pet. Appx. B at 32a-33a.

Petitioner’s arguments against the district court’s opinion lack merit, as the Federal Circuit correctly determined. First, the patent expressly negates petitioner’s contention that the patent claims “improve the functioning” of computer systems. Pet. at 8-10. As the district court observed, the patent teaches that the described “invention” uses only “commonly known” software programming steps and “typical hardware elements” to achieve its desired functional results. C.A. App. 82 (13:12-17); C.A. App. 78-79 (6:63-7:18). Nothing in the patent specification or claims describes *how* to program a system to actually “learn” and “make intelligent decisions” or any of the other high-level ideas that petitioner imagines, such as by setting forth source code or programming algorithms that would provide artificial intelligence. The idea for an “intelligent automated assistant” (“IAA”) is just that—an idea—with no description (let alone claim language recitations) of detailed programming to create a system that can actually make and execute intelligent decisions. *Alice*, 573 U.S. at 223 (stating an “abstract idea while adding the words ‘apply it with a computer’” is not patent eligible).

Similar reasoning disposes of petitioner's complaint that the district court decided Section 101 on a Rule 12(b)(6) motion to dismiss notwithstanding a proffered expert declaration and prior to patent claim construction and discovery. Pet. at 11-14. On a motion to dismiss, a district court is not required to accept allegations that are merely "conclusory" or "legal conclusions" or allegations that ultimately do not contain "sufficient factual matter," when accepted as true, that would "state a claim to relief that is plausible on its face." *Iqbal*, 556 U.S. at 663-64 (quoting *Twombly*, 550 U.S. at 570); *Cellspin*, 927 F.3d at 1317-18 (to survive a motion to dismiss, the complaint must contain "plausible and specific factual allegations that aspects of the claims are inventive," and allegations "wholly divorced from the claims or the specification" cannot defeat a motion to dismiss). Here, the patent itself directly contradicted petitioner's allegations relating to Section 101. The patent expressly disavows any inventive new software and/or hardware, instead invoking only undisclosed "commonly known" software programming steps and "typical hardware elements" to achieve its idea. C.A. App. (6:63-7:18, 13:12-17). Nothing from petitioner's proffered expert and nothing to be developed in discovery could possibly change those dispositive teachings.

Equally meritless is petitioner's objection that the district court held the claims ineligible despite observing that the allegations in petitioner's complaint, if accepted as true, "could maybe support an inference that the technology was groundbreaking and innovative," because patent-eligibility is not

conferred where “the abstract idea supplies the inventive concept.” Pet. at 6. “It has been clear since *Alice* that a claimed invention’s use of the ineligible concept to which it is directed cannot supply the inventive concept that renders the invention ‘significantly more’ than that ineligible concept.” *BSG Tech. LLC v. Buyseasons, Inc.*, 899 F.3d 1281, 1290 (Fed. Cir. 2018). “[E]ven assuming” that a claimed invention were innovative, that “does not avoid the problem of abstractness” under Section 101. *Two-Way Media*, 874 F.3d at 1340 (citation omitted). For example, although nobody had previously disclosed the novel equations, “Einstein could not patent his celebrated law that $E=mc^2$; nor could Newton have patented the law of gravity.” *Mayo*, 566 U.S. at 70-71 (quoting *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980)).

Nor is there any merit to petitioner’s complaint that formal patent claim construction had not been conducted. Pet. at 11. In rendering its decision, the district court properly assumed *arguendo* the correctness of petitioner’s proposed claim constructions. Pet. Appx. B at 23a-24a.

Petitioner argues that “[o]n appeal,” it raised other arguments on the merits (Pet. at 12-14), but the arguments petitioner presented to the Federal Circuit were all unavailing. Indeed, petitioner’s arguments were so meritless that the Federal Circuit summarily affirmed the district court two days after the oral argument. None of petitioner’s rejected arguments warrants certiorari review by this Court. Petitioner did not seek rehearing *en banc* by the full bench of Federal Circuit judges, and a total of eight Federal

Circuit judges participated in one or more of the panels unanimously holding ineligible the claims of petitioner's five related patents between *Apple*, *Domino's Pizza*, and the present case. Just as this Court denied petitioner's petition for certiorari in *Domino's Pizza*, the petition in this case should be denied.

CONCLUSION

For the foregoing reasons, the Court should deny review.

Respectfully submitted,

/s/ Heidi L. Keefe

HEIDI L. KEEFE

Counsel of Record

LOWELL D. MEAD

COOLEY LLP

3175 Hanover Street

Palo Alto, CA 94304

(650) 843-5000

hkeefe@cooley.com

May 5, 2022

Counsel for Respondent