Alice Made Patent Eligibility Too Strict, Justices Told - Law360

Alice Made ‘101 Patent Eligibility Too Strict, Supreme Court Justices Told

By Britain Eakin · Listen to article

Law360 (August 10, 2022, 5:00 PM EDT) -- A conservative interest group and an inventor advocacy group have urged the U.S. Supreme Court to take up the latest challenge to how patent eligibility is determined, citing "dire consequences" stemming from the high court's landmark Alice decision.

"What hath Alice wrought!" the Eagle Forum Education & Legal Defense Fund and US Inventor declared in an amicus brief filed Friday in support of inventor David Tropp of Safe Skies LLC, who had his luggage lock patents invalidated under Alice in a patent fight with Travel Sentry Inc. The brief deliberately invoked the first message sent by Morse code via telegraph, noting that though Samuel Morse had received a patent for his invention, "the government declined to purchase it because many mistakenly felt it was merely a useless toy of science."

The Supreme Court's decision in Alice v. CLS Bank held that abstract ideas implemented on a generic computer system aren't eligible for patenting without an added inventive concept. US Inventor and Eagle Forum said the 2014 decision has led to more than 60,000 patent rejections, while district courts have invalidated 70% of patents challenged on eligibility grounds, including Tropp's, the amicus brief said.

"The petition concerns a working patent that is being used, and which has generated millions of dollars in revenue from its use. Yet it was held not to be patent eligible below," the groups said. "The petition offers a straightforward opportunity for this court to end the confusion wrought by its Alice test, and to restore broad patent eligibility that would spur much-needed innovation in the future."

The purported confusion Alice has wrought has stymied the U.S. economic engine by removing broad patent protection, and it requires the high court to revisit the propriety of judicially created exceptions to patent eligibility, according to the brief.

Solo practitioner Andrew Schlafly, who filed the brief on behalf of US Inventor and Eagle Forum, reiterated this point in a comment to Law360 Tuesday.

"Our economy will continue to languish as long as the infringement on inventors' rights continues. The court should overrule its judicially created impediment of patent eligibility," he said in an email.

Schlafly is the son of the late conservative attorney and activist Phyllis Schlafly, who founded Eagle Forum and the associated education and legal defense fund. The group purports to "advance traditional American values" and the "constitutional system of limited government," according to its website.

Counsel for Tropp and for Travel Sentry did not immediately return a request for comment about the brief on Tuesday.

Tropp asked the justices to take a look at his case back in July, saying in a petition for certiorari that it presents a better vehicle to clarify what counts as abstract under Section 101 of the Patent Act than American Axle v. Neapco, which the justices recently turned down. While American Axle was a "factbound" finding that a driveshaft patent could be reduced to a law of physics, Tropp said his case is clear-cut and features the more common question about what is abstract based on the Alice decision.

American Axle was one of the most closely watched patent eligibility petitions to date. The case divided the Federal Circuit 6-6 and led to more than 100 pages of opinions from the judges, making attorneys optimistic that the justices would use it to clarify Alice. The justices had expressed some interest in the case, asking the government in May 2021 to give its opinion, but they turned the case down despite the solicitor general and U.S. Patent and Trademark Office advocating for the petition to be accepted.

Tropp's case dates to 2006, when competitor Travel Sentry filed a declaratory judgment action in New York federal court, hoping for a finding that it doesn't infringe Tropp's patents and that those patents are invalid. The patent owner then sued Travel Sentry, along with manufacturers that license its trademark-protected logo for their locks, alleging infringement.

The patents relate to a way of letting the Transportation Security Administration unlock and screen luggage.

A New York federal judge invalidated the patents in March 2021 for claiming the abstract idea of applying dual-access locks to airport luggage inspection, and the Federal Circuit agreed the following February, saying the claims are directed to "a longstanding fundamental economic practice and method of organizing human activity." The courts also found that there was no added inventive step that would make an abstract idea eligible for a patent under Alice.

In Friday's amicus brief, US Inventor and Eagle Forum argued that the justices should get back to a textualist interpretation of Section 101, saying the law is silent about excluding abstract inventions from patent protection.

"Congress did not enact a high bar against patent eligibility, and this court should not cling to one. Restoring broad patent eligibility as enacted by Congress is overdue, as abstractness is not even mentioned in the statute," they argued.

The patents-in-suit are U.S. Patent Nos. 7,021,537; and 7,036,728.

Tropp is represented by Eric A. White and Jamie B. Beaber of Mayer Brown LLP.

Travel Sentry is represented by William L. Prickett of Seyfarth Shaw LLP.

US Inventor and Eagle Forum are represented by Andrew L. Schlafly.

The case is Tropp v. Travel Sentry Inc. et al., case number 22-22, before the Supreme Court of the United States.

--Additional reporting by Dani Kass, Dave Simpson and Adam Lidgett. Editing by Adam LoBelia.