

Amici Urge CAFC to Grant En Banc Review in American Axle Case



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“If industrial-process, physically-based patents like these are ineligible under *Mayo/Alice*, then seemingly every patent is in ineligibility jeopardy.” – Judge Michel



In October, the Court of Appeals for the Federal Circuit (CAFC) rejected a method for manufacturing propshafts in *American Axle & Manufacturing (AAM) v. Neapco Holdings (Neapco)*, holding that the claims at issue were ineligible under Section 101. Judge Moore dissented, arguing that “the majority’s decision expands §101 well beyond its statutory gate-keeping function and the role of this appellate court well beyond its authority.” Several amici have now filed briefs in support of AAM’s request for rehearing of the CAFC’s decision.

U.S. Startups & Inventors for Jobs (USIJ) in Support of *En Banc* Review

USIJ is a coalition of 30 startup companies that depend on patent protection, formed to address concerns in legislation adopted by Congress that put small inventors at a disadvantage relative to their larger rivals. The USIJ argues in its brief that the U.S. Patent System is on “life support.” USIJ argues that investors and inventors have shifted focus toward investments in non-patent essential businesses such as entertainment, social media, and apparel, while leaving innovation in science and technology behind. USIJ contends that while some CAFC rulings related to Section 101 have been driven by an attempt to implement rulings from the Supreme Court, the CAFC has unjustifiably expanded the rulings by searching for unfounded, outcome-oriented theories of ineligibility. USIJ further argues that the exclusionary judicial exceptions to 101 (laws or products of nature, abstract ideas, or mathematical formulas) were intended to be construed narrowly and cautiously in order to prevent them from “swallow[ing] all of patent law.”

Acknowledging Judge Moore’s dissent, USIJ contends that the majority failed to acknowledge extensive evidence satisfying the *Mayo* and *Alice* “inventive step” requirement. Furthermore, USIJ argues that the panel ignored detailed descriptions of the invention in the dependent claims and attempted to sidestep summary judgment by using ineligibility as a substitute for a lack of enablement. USIJ advocates that the invention in the ‘911 patent describes and claims a mechanical invention that falls within the machine category of Section 101, and is not a mere law of nature or abstract idea: numerous calculations and measurements are required to design and manufacture the claimed driveshaft, thus satisfying the inventive step requirement. Additionally, USIJ argues that the CAFC improperly injected enablement issues into its eligibility analysis, even though there is no statutory basis for doing so. USIJ also offers evidence that studies show a substantial decline in investments in U.S. strategically critical industries, such as that of semiconductor technology.

Intellectual Property Owners Association (IPO) in Support of *En Banc* Rehearing

IPO argues that ever since the *Alice/Mayo* two-step test became law, there has been uncertainty in applying it. The decision in *American Axle*, argues IPO, adds to this ambiguity by adding a third layer involving the interplay of §101 subject-matter eligibility and §112 requirements. IPO contends that whether a patent teaches a person of skill in the art how to use the invention, or whether there is adequate disclosure in the specification are §112 questions and not questions of patent eligibility; therefore,

the panel was incorrect in including terms of art evoking §112 in its analysis. IPO also argues that generalized recitation of the natural law as Hooke's law, and possibly other natural laws opens the door to: 1) non-specific and vague attacks on patentability based on natural laws; and 2) widespread challenges to the subject matter eligibility of mechanical inventions. IPO asserts that the panel's conclusion that step one of the *Mayo/Alice* test can be satisfied even if the natural law at issue cannot be defined incentivizes subject matter eligibility challenges based on generalized statements, which is not enough to meet the "clear and convincing" standard required to prove patent invalidity. This, argues IPO, could lead to unintended consequences through countless challenges to mechanical inventions with underpinnings in one or more potentially unnamed natural laws, inventions that have the potential to join the ranks of the most important inventions in history, such as the lightbulb or the airplane.

Judge Paul R. Michel in Support of Rehearing *En Banc*

Former Chief Judge of the CAFC Paul Michel also weighed in on the opinion, having decided over 1000+ patent appeals over 22 years. His brief argues four points: 1) the opinion contravenes core summary-judgment rules and ignores evidence of a genuine dispute; 2) the '911 claims recite a multi-part, multi-step process for manufacturing auto parts and are not directed to ineligible matter; 3) the '911 claims do not preempt Hooke's Law, confirming they are patent-eligible; and 4) the majority's Section 101 rulings warrant *en banc* treatment.

Judge Michel finds the court's reasoning unpersuasive as to following courts that frequently find patent claims ineligible on summary judgment, because the subject matter in those cases differs substantially. He argues that the decision improperly relied on testimony by Neapco's own expert to show that the '911 claims are directed to Hooke's law. Even where a '911 inventor and AAM engineer testified about the "tuning" step, which was a supposed demonstration of Hooke's law, Judge Michel argues that the testimony was hardly "so one-sided" and "overwhelming" that a fact-finder could only find for Neapco. He reasoned that the court's decision failed to account for the other steps and physical parts relevant to the invention, and even failed to accept AAM expert testimony that the claims are *not* directed to Hooke's law. Citing [Bilski](#), he argues that the machine-or-transformation qualities of the '911 method claims may be enough to establish 101 eligibility for process claims grounded in physical or other tangible form. Additionally, these physical components are a part of a multi-step method for manufacturing auto parts which has historically been an industrial process deemed patent-eligible and safe from *Mayo/Alice* analysis.

Next, Judge Michel argues under [Diehr](#) that a claim drawn to subject matter otherwise eligible does not become ineligible because it uses a mathematical formula, computer

program, or natural law. Thus, because the claims here recite a single step that purportedly implicates ineligible matter but does so in conjunction with all of the other steps, the claims are not directed to ineligible matter. He also argues that the '911 claims do not preempt Hooke's law because according to *Diehr*, this rule doesn't apply to multi-step method claims that, considered as a whole, do not attempt to patent ineligible matter. Lastly, he urges the CAFC to conduct an *en banc* rehearing because the majority failed to apply the correct summary judgment requirements, failed to consider that a process may qualify as §101-eligible matter, and failed to consider §101 eligibility of claims reciting industrial processes for manufacturing auto parts.

The [Biotechnology Innovation Organization](#), [Attorney Jeremy Doerre](#) of Tillman Wright, PLLC, and [12 Law Professors](#) also filed amicus briefs in support of a rehearing.