

No. 19-1299

IN THE
Supreme Court of the United States

THE CHAMBERLAIN GROUP, INC.,
Petitioner,

v.

TECHTRONIC INDUSTRIES CO.,
TECHTRONIC INDUSTRIES NORTH AMERICA, INC.,
ONE WORLD TECHNOLOGIES, INC.,
OWT INDUSTRIES, INC., RYOBI TECHNOLOGIES, INC.,
Respondents.

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

REPLY BRIEF FOR PETITIONER

Katherine Vidal	E. Joshua Rosenkranz
Michael R. Rueckheim	<i>Counsel of Record</i>
WINSTON & STRAWN LLP	Melanie L. Bostwick
275 Middlefield Road	Elizabeth R. Moulton
Suite 205	Ned Hirschfeld
Menlo Park, CA 94025	ORRICK, HERRINGTON & SUTCLIFFE LLP
Benjamin C. Elacqua	51 West 52nd Street
FISH & RICHARDSON, P.C.	New York, NY 10019
1221 McKinney Street	(212) 506-5000
Suite 2800	jrosenkranz@orrick.com
Houston, TX 77010	

Counsel for Petitioner

TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES	iii
INTRODUCTION	1
I. The Federal Circuit Is Persistently Refusing To Assess Claims “As A Whole” At Either <i>Alice</i> Step.....	3
A. Step one.	3
B. Step two.....	5
II. This Case Is An Ideal Vehicle.....	7
III. Correction Is Urgently Needed.....	11
CONCLUSION.....	13

TABLE OF AUTHORITIES

	Page(s)
Cases	
<i>Alice Corp. Pty. Ltd. v. CLS Bank Int’l</i> , 573 U.S. 208 (2014).....	3, 5
<i>Am. Axle & Mfg., Inc. v. Neapco Holdings LLC</i> , 966 F.3d 1347 (Fed. Cir. 2020).....	2, 11
<i>CardioNet, LLC v. InfoBionic, Inc.</i> , 955 F.3d 1358 (Fed. Cir. 2020).....	4
<i>Diamond v. Diehr</i> , 450 U.S. 175 (1981).....	1, 6
<i>Dropbox, Inc. v. Synchross Techs., Inc.</i> , 2020 WL 3400682 (Fed. Cir. June 19, 2020).....	5
<i>Ericsson Inc. v. TCL Commc’n Tech. Holdings Ltd.</i> , 955 F.3d 1317 (Fed. Cir. 2020).....	4
<i>Kirtsaeng v. John Wiley & Sons, Inc.</i> , 136 S. Ct. 1979 (2016).....	3, 10
<i>Limelight Networks, Inc. v. Akamai Techs., Inc.</i> , 572 U.S. 915 (2014).....	3
<i>Packet Intel. LLC v. NetScout Sys., Inc.</i> , 965 F.3d 1299 (Fed. Cir. 2020).....	4

Statutes

35 U.S.C. § 101 1, 2, 4, 5, 8, 10, 11, 12

Other Authorities

Paul Michel & John Battaglia, *Fed. Circ. Patent Eligibility Test Erroneously Distorts Alice*, Law360 (July 9, 2020), <https://tinyurl.com/yxn3udgr> 12

INTRODUCTION

Perhaps the best proof that the Federal Circuit’s refusal to assess claims as a whole under § 101 is indefensible is that Techtronic makes no meaningful effort to defend it. The brief in opposition concedes that examining claims in their entirety is essential at each step of *Alice*’s patent-eligibility framework. That is the only way to properly cabin § 101’s narrow, implicit exceptions: by accurately assessing the role, if any, that an abstract idea, natural law, or physical phenomenon plays in the overall invention. But Techtronic cannot show that the Federal Circuit actually did so—either here or in the other flawed decisions cited in the petition and issued since it was filed. Techtronic cannot defend the court’s reduction of step one to an analysis of the “claimed advance” alone, and step two to an assessment of individual elements in isolation. It does not even try to reconcile that entrenched approach with this Court’s holding that “[i]t is inappropriate to dissect the claims into old and new elements and then to ignore the presence of the old elements in the analysis.” *Diamond v. Diehr*, 450 U.S. 175, 188 (1981).

Instead, Techtronic resorts to empty formalism: The Federal Circuit cannot have defied this Court’s precedent—and the question presented cannot be “implicated,” BIO 11—because the panel started its analysis by accurately quoting the phrase “as a whole.” But this Court routinely grants certiorari when a lower court formally recites its rulings while substantively defying them. Techtronic has no response to our showing that the Federal Circuit did so here.

Techtronic thus devotes nearly all of its brief to throwing purported vehicle complications at the wall, hoping to convince this Court to wait even longer to address the § 101 emergency. Nothing sticks. Any suggestion of forfeiture evaporates with a glance at Chamberlain’s briefing below. Techtronic fares no better in accusing Chamberlain of contradicting itself; Chamberlain’s wins on infringement, willfulness, and damages are entirely consistent with its argument, under § 101, that its claims do not preempt other garage-door-opener products from incorporating wireless status updates in different ways. And although Techtronic warns of unresolved claim-construction disputes, it fails to identify a single open issue that even bears on clarifying the § 101 standard—much less that would prevent this Court from doing so.

Ultimately, Techtronic urges that the Federal Circuit’s erroneously high threshold for patent eligibility is simply not “important” enough to warrant review. BIO 22. Industry leaders, scholars, and the Federal Circuit’s own judges beg to differ. Just weeks ago, when the court again declined to review its flawed precedent en banc, these voices erupted to chronicle the increasingly dire threat posed to American innovation. As one judge put it, “[t]he court’s rulings on patent eligibility have become so diverse and unpredictable as to have a serious effect on the innovation incentive in all fields of technology.” *Am. Axle & Mfg., Inc. v. Neapco Holdings LLC*, 966 F.3d 1347, 1357 (Fed. Cir. 2020) (Newman, J., dissenting from denial of en banc). The time has come for this Court to revive that innovation incentive by reversing the Federal Circuit’s wayward gloss on *Alice*’s two-step framework.

I. The Federal Circuit Is Persistently Refusing To Assess Claims “As A Whole” At Either *Alice* Step.

A. Step one.

Techtronic concedes that it has “no dispute about the legal standard” the petition articulates. BIO 12. It does not dispute that when the first step of *Alice* asks what a claim is “directed to,” *Alice Corp. Pty. Ltd. v. CLS Bank International*, 573 U.S. 208, 217 (2014), that is a big-picture inquiry that necessarily requires surveying the complete bounds of the proposed monopoly. Pet. 6, 16-17, 19-22.

Since we all agree on the law, the question is whether the Federal Circuit is applying it correctly. Techtronic says yes. But its entire analysis on this critical point is a non sequitur: that the Federal Circuit accurately *quoted* the principle that step one examines “the claim’s character as a whole.” BIO 12 (quoting Pet. App. 6a). That is not enough. Pet. 17; *cf. Kirtsaeng v. John Wiley & Sons, Inc.*, 136 S. Ct. 1979, 1989 (2016) (although Second Circuit’s “framing of the inquiry resembles our own,” in substance it applied unduly narrow approach). This Court has routinely intervened when the Federal Circuit mouths the correct words but applies them wrong. *E.g., Lime-light Networks, Inc. v. Akamai Techs., Inc.*, 572 U.S. 915, 921 (2014).

Techtronic says nothing about our showing that the Federal Circuit did that here. The panel did not assess the claims as a whole at *Alice* step one, but ra-

ther focused more narrowly on just “the claimed advance over the prior art.” Pet. App. 6a; Pet. 11-12, 18-19. The court identified wireless communication as “[t]he only described difference between the prior art” and “the claimed movable barrier operator system.” Pet. App. 7a. Focusing on that lone claim element, it held that “the broad concept of communication information wirelessly, without more, is an abstract idea.” Pet. 8a.

Nor does Techtronic rebut our showing that the Federal Circuit’s step-one error is entrenched. The petition cited a long line of cases in which the court has analyzed only the supposed point of novelty. Pet. 26. Techtronic addresses none of them. It simply cites a few recent decisions where the court also mouthed “claims as a whole.” BIO 23-24.

Those cases do not show that all’s well in § 101. They are prime examples of the doctrinal mess. In one, the dissenting judge faulted the majority for misapplying *Alice* step one and admonished that the proper focus is on “the asserted advance over the prior art.” *Packet Intel. LLC v. NetScout Sys., Inc.*, 965 F.3d 1299, 1317 (Fed. Cir. 2020) (Reyna, J., dissenting-in-part). Others similarly involved split opinions, with judges clashing over fundamental aspects of *Alice* and decrying decisions bringing “fresh uncertainty to an already strained innovation incentive.” *Ericsson Inc. v. TCL Commc’n Tech. Holdings Ltd.*, 955 F.3d 1317, 1335-36 (Fed. Cir. 2020) (Newman, J., dissenting) (faulting majority for narrow step-one analysis); see *CardioNet, LLC v. InfoBionic, Inc.*, 955 F.3d 1358, 1375-79 (Fed. Cir. 2020) (Dyk, J., dissenting-in-part) (warning of “confusion” from majority’s flawed step-

one standard). And Techtronic avoids citing the recent cases that clearly and unanimously apply the improper “claimed advance” standard. *See Dropbox, Inc. v. Synchross Techs., Inc.*, 2020 WL 3400682, at *3 (Fed. Cir. June 19, 2020).

At best, there is division among Federal Circuit panels about the proper framing of the step one inquiry. But since the Federal Circuit refuses to take the issue en banc, this Court’s review is urgently needed.

B. Step two.

Once the Federal Circuit mistakenly reached *Alice*’s second step, it again refused to assess the claims as a whole—another recurring error in the court’s § 101 jurisprudence. Pet. 28. Here, again, Techtronic does not disagree with our description of what the Federal Circuit was supposed to do: Step two deems eligible claims that narrowly apply an abstract idea *within* a broader “technological environment,” leaving room for other applications of the same idea within that environment. Pet. 23. Techtronic tacitly concedes that claims are ineligible only if they broadly preempt the abstract idea’s use across the relevant technological environment—say, by covering any computerized use of the idea. *See Alice*, 573 U.S. at 223-24; Pet. 23-24; BIO 4-5. If step two is even relevant, the critical question is whether the elements of Chamberlain’s claims taken *together*—not merely in isolation, but also as an “ordered combination”—apply wireless transmission in a narrow way that embodies an “inventive concept” and avoids undue preemption. *Alice*, 573 U.S. at 217; *see* Pet. 22-24.

We explained at length why the answer is plainly yes. Chamberlain’s claims require a specific, innovative configuration of parts and programming. Techtronic does not refute our showing that this inventive machine—which a jury found novel and non-obvious—leaves room for competing implementations of wireless status transmission. Techtronic itself proved the point at trial, emphasizing that another company had *already* developed a non-infringing system: Genie’s non-integrated Aladdin Connect, which houses critical components within a separate wall module rather than the door operator. CAFC Appx. 139-41, 492, 496, 732.

Here, again, Techtronic says nothing meaningful to refute our explanation of how the Federal Circuit went astray with its erroneous gloss on the “technological environment” standard. Pet. 28. Techtronic cannot dispute that the panel focused on the “generic” nature of certain individual hardware components, faulting Chamberlain for not separately inventing a novel “controller” or “wireless transmitter.” Pet. App. 11a. Nor can Techtronic reconcile that analysis with *Diehr*’s directly contrary instruction that a claimed *combination* may be inventive even if “all the constituents” were separately “well known and in common use.” 450 U.S. at 188-89.

Techtronic’s lead response is the same dodge: that the Federal Circuit cannot have legally erred because it quoted the correct standard. BIO 12. That approach fares no better for step two than for step one. *Supra* 3.

Beyond that, Techtronic simply doubles down on the Federal Circuit’s error. It contends that “[t]here can be no ‘inventive concept’ in hardware and software that the ... specification describes as conventional.” BIO 28. Techtronic even argues that Chamberlain “waived” any argument for eligibility at step two by conceding that “[t]here are no non-generic components in the movable barrier operator.” BIO 11. This is exactly the flawed legal standard that *Diehr* warned about. Time and again, this Court has held that known parts may be assembled into an inventive whole. Chamberlain did just that.

II. This Case Is An Ideal Vehicle.

The bulk of Techtronic’s brief strains to demonstrate a vehicle problem, warning of a purported thicket of procedural difficulties. All of that is Techtronic’s invention—an attempt to discourage this Court from intervening in a concededly “important” area of law, BIO 24, by raising non-existent complications. The petition is entirely consistent with the record below. And it provides a clean, unencumbered vehicle for correcting the Federal Circuit’s persistent misinterpretation of *Alice*. Pet. 34-37. Techtronic’s arguments to the contrary melt away under even casual scrutiny.

No forfeiture. Techtronic first asserts that Chamberlain never “developed before the Federal Circuit” the argument that step one requires assessing claims “as a whole.” BIO 18. That argument was the centerpiece of Chamberlain’s panel briefing. Chamberlain repeatedly asserted that step one must assess claims “as a whole.” *Id.*; see BIO App. 30a-31a. And it

warned that Techtronic was defying that standard by urging the panel “to dissect the claims in the manner that the *Diehr* court cautioned against.” BIO App. 30a. Preservation could not be clearer.

The same is true at step two. Techtronic claims that Chamberlain “forfeited” the argument that the particular “design choices” embodied in its claims “were inventive concepts that transformed the idea of wireless transmission into a patent-eligible application.” BIO 13; *see* BIO 19. Wrong again. Chamberlain told the Federal Circuit that its claims were eligible under step two because of the specific hardware and software choices embodied in its “ordered combination”—including “a controller configured to have potential statuses defined by operating states,” and an integrated “wireless transmitter ... configured to transmit a signal corresponding to a status condition as claimed.” Answering Brief 28-29 (CAFC Doc. 34). Then, as now, Chamberlain characterized this particular combination as an “inventive concept.” *Id.*

No contradiction. Next, Techtronic accuses Chamberlain of contradicting positions it took below regarding the distinct issues of “infringement, damages, and willfulness.” BIO 17. Techtronic chiefly argues that Chamberlain cannot dispute undue preemption under § 101 without defying its “damages case.” BIO 16. But one argument has nothing to do with the other. Chamberlain’s damages expert opined that, on the date it began infringing, Techtronic could not credibly have threatened to use “non-infringing alternatives.” Trial Tr. 445-46 (D. Ct. Doc. 695); *see* BIO 16. That was because no commercially viable substitute existed. *Id.* Chamberlain’s expert did not

suggest that competitors were *legally preempted* from developing garage-door products that wirelessly transmit status information. On the contrary: He confirmed that Genie had *already* developed a non-infringing product, although he considered it commercially inferior. *Id.*

Techtronic also suggests that Chamberlain’s preemption position “conflicts with” its willfulness case. BIO 15-16. That is wrong. Chamberlain won a willfulness verdict based on Techtronic’s documented efforts to copy Chamberlain’s product, Pet. 9-10—not some broader theory that any wireless machine would infringe, as Techtronic suggests (at 16). That is why Chamberlain’s willfulness briefing argued—in the very passage Techtronic misleadingly cites, BIO 16—that Techtronic “tried to copy” Chamberlain’s design. BIO App. 35a.

Finally, Techtronic urges that Chamberlain “has reversed its claim construction position” by contending that its claims require transmitting system information in the form of a processed “operating state,” not mere “raw data.” BIO 20. But Chamberlain’s expert testified at trial that a person of skill would not consider raw data to be a “state.” Pet. 8-9; Pet. App. 37a. As the district court held in denying JMOL of invalidity, a jury was free to credit that testimony. Pet. App. 37a. (Although Techtronic attempts to recast this as “a hotly disputed construction issue,” BIO 21, it is a well-supported factual finding that cannot be undone on appeal.)

No claim-construction gap. That leaves Techtronic’s argument that this Court should not

grant certiorari because it would be compelled to resolve claim-construction issues that bear on patent eligibility. That is doubly wrong. The question presented is whether the Federal Circuit has crafted erroneous legal standards at each *Alice* step that fail to assess claims “as a whole.” Answering that question would not require this Court to apply the test in the first instance—let alone decide whether Techtronic has raised any relevant claim-construction concerns. *Cf., e.g., Kirtsaeng*, 136 S. Ct. at 1989 (clarifying copyright attorney’s fees standard and remanding for application by lower courts).

In any event, Techtronic fails to offer the promised litany of interpretive disputes. Some of the supposed issues simply do not exist. For example, the fact that Chamberlain’s controller and wireless transmitter must be “‘incorporated’ into the garage door opener” is not “hotly disputed.” BIO 14. It is an unappealed feature of the district court’s claim-construction order, which emphasized that these components must be part of the “architecture within” the opener. CAFC Appx. 21-22.

Other issues have no bearing on the patent-eligibility determination—except to confirm that Chamberlain’s claims satisfy § 101. The claims require a status transmission defined by “a plurality of operating states.” Pet. App. 4a. Addressing infringement below, Techtronic contended that this limitation must be further narrowed by excluding two specific types of operating states, in part because of positions purportedly taken in a previous *inter partes* review. BIO 21; see BIO App. 16a-17a. Those proposed restrictions are meritless. More importantly, this Court would not be

“require[d] ... to address” them. BIO 20-21. Chamberlain’s claims are patent-eligible whether or not they are further narrowed as Techtronic urges; narrowing them would, if anything, bolster their eligibility. Even if this Court chose to apply the correct standard in the first instance, therefore, it could do so without resolving Techtronic’s infringement-related arguments.

In the end, Techtronic’s vehicle attacks are a distraction. This case offers a clean opportunity to correct the Federal Circuit’s entrenched legal errors at both *Alice* steps—however much Techtronic may wish to avoid “clashing with Chamberlain” on those “general legal principles,” BIO 17.

III. Correction Is Urgently Needed.

In a final bid to discourage certiorari, Techtronic makes the head-scratching assertion that “there is nothing important about the question presented.” BIO 22 (capitalization changed). It suggests that the § 101 standard is “settled law” that the Federal Circuit steadily applies without issue. BIO 23-24.

That would be news to the Federal Circuit judges, industry leaders, and scholars who continue their urgent calls for a corrected § 101 standard. Pet. 30-33. Just recently, half of the Federal Circuit’s judges lodged yet another round of impassioned opinions chronicling the fundamental “missteps” in the court’s prevailing approach and warning of the “far-reaching consequences” for American industry. *Am. Axle*, 966 F.3d at 1357 (Newman, J., dissenting from denial of en banc); *see id.* at 1361 (Stoll, J., dissenting); *id.* at 1365 (O’Malley, J., dissenting). Amici from a wide

range of industries continue to submit briefs—including those supporting this petition—that describe the “serious effect on the innovation incentive in all fields of technology.” *Id.* at 1357 (Newman, J., dissenting) (citing examples); see Br. of Hon. Randall R. Rader & ChargePoint, Inc. 23-28; Br. of High 5 Games, LLC 18-24. And recent scholarship, citing this very case, has redoubled calls for this Court to “repair[] the *Mayo-Alice* framework.” Paul Michel & John Battaglia, *Fed. Circ. Patent Eligibility Test Erroneously Distorts Alice*, Law360 (July 9, 2020), <https://tinyurl.com/yxn3udgr>.

Not surprisingly, Techtronic eventually concedes that § 101 is “important.” BIO 24. Nonetheless, it suggests this Court should reserve certiorari for unspecified “issues” that are “far more fundamental” than those presented here. *Id.* There are no such issues. The prior petitions that Techtronic cites presented questions that were either case-specific, purely procedural, or hostile to *Alice*. Pet. 34-35. This petition is the first to diagnose exactly where the Federal Circuit has gone wrong and to request the appropriate correction from this Court. Techtronic also suggests that the multiple amicus briefs supporting Chamberlain’s petition are somehow insufficient because additional amici supported the *American Axle* en banc petition. BIO 25. But it is hardly surprising that, with resources slashed by a global pandemic, certain entities—perhaps discouraged by the denials of prior, flawed § 101 petitions—would decline to weigh in yet again at the certiorari stage. That takes nothing away from the urgency of the issue or the unique force of this petition.

The Federal Circuit has strayed from *Alice's* sound framework by fashioning rules that defy the fundamental instruction to assess claims as a whole. The consequences for American innovation are disastrous and rapidly mounting. The time has come for this Court to strike down those flawed rules and restore fidelity to its precedent.

CONCLUSION

The Court should grant the petition.

Respectfully submitted,

Katherine Vidal	E. Joshua Rosenkranz
Michael R. Rueckheim	<i>Counsel of Record</i>
WINSTON & STRAWN LLP	Melanie L. Bostwick
275 Middlefield Road	Elizabeth R. Moulton
Suite 205	Ned Hirschfeld
Menlo Park, CA 94025	ORRICK, HERRINGTON & SUTCLIFFE LLP
Benjamin C. Elacqua	51 West 52nd Street
FISH & RICHARDSON, P.C.	New York, NY 10019
1221 McKinney Street	(212) 506-5000
Suite 2800	jrosenkranz@orrick.com
Houston, TX 77010	

September 1, 2020