Fed. Circ.'s Camera Patent Ax Makes Eligibility Rules Murkier

By Dani Kass

Law360 (June 17, 2021, 2:10 PM EDT) -- The Federal Circuit's decision last week to invalidate a digital camera patent as abstract signals that the court is taking a broader interpretation of what technologies can fall under Alice's purview and has raised concerns that the court is conflating several sections of the Patent Act.

While a panel majority said Yanbin Yu and Zhongxuan Zhang's patent is directed to the abstract idea of taking two pictures and using one to enhance the other, attorneys told Law360 that they're concerned the court widened the door to invalidate patents on mechanical inventions as abstract. In reality, the court should be looking at whether the patent is novel, they said.

"The Yu case further erodes the borders between patent eligibility and the other patentability requirements, such as novelty and nonobviousness," said Tulane University Law School professor Jeremy W. Bock.

Under the U.S. Supreme Court's Alice decision — which turns 7 years old this week — patents directed to abstract ideas can only be declared eligible under Section 101 of the Patent Act if there's an added inventive concept.

The ruling, and a related one called Mayo involving the patent eligibility of a natural phenomenon, have frustrated many in the software and biologics spaces as attorneys, judges and inventors try to figure out the lines of what is patent eligible. Attorneys say Alice is now increasingly being expanded to invalidate patents for inventions that are tangible items that have long been considered off-limits.

First was a garage door opener patent that the Federal Circuit in 2019 invalidated for being directed to the abstract idea of "wirelessly communicating status information about a

system." Then later that year, the Federal Circuit knocked out a driveshaft patent that it said was directed to a 17th-century equation known as Hooke's law. Now it's a digital camera patent.

Friday's majority opinion, written by U.S. Circuit Judge Sharon Prost and joined by U.S. Circuit Judge Richard G. Taranto, said the idea of using multiple pictures to enhance each other has been known for more than a century and that the patented way of doing so under scrutiny is "well known and conventional."

Attorneys accused the two judges of stretching Alice too far.

"They should say this is not an abstract idea," said Schwegman Lundberg & Woessner principal Warren Woessner. "It's a camera. You can carry it around with you. In my mind, an abstract idea has always been ideas that cannot be tested by the scientific method, such as 'the love you take is equal to the love you make' or 'treat your neighbor the way you want the neighbor to treat you.' Those are the true abstract ideas. They have no substance to them. They exist in your head."

U.S. Circuit Judge Pauline Newman had issued a dissent echoing those comments, arguing Yu's patent is a mechanical invention, and that while it may be invalid as anticipated or obvious, it's not abstract.

"Does it work? Does it fall under the broad category of a machine?" Woessner added. "That's where Judge Newman says the court should stop in terms of 101. What mechanical device is going to be safe from this kind of argument for invalidity?"

While the critics of this ruling seem to be louder than the supporters, there are those who agree it's right on track.

"This is exactly Alice," said Computer & Communications Industry Association patent counsel Joshua Landau. "The idea is that just because it's novel in the sense that you're taking this abstract idea and applying it using hardware components, that doesn't make it an eligible application. That's the core insight of Alice."

He said the claims may include specific hardware, but that the end result of Yu's patent — which was asserted against Apple and Samsung — is an abstract idea that's put into use

with generic methods.

Across the board, experts said the patent likely doesn't hold up in the end, but like Judge Newman, many said the court needed to analyze whether it's obvious or anticipated.

"The Federal Circuit continues to blur the line," Bock said. "At what point do we apply which doctrine? We have a serious case of mission creep with Section 101."

The Yu ruling is precedential, so unless the en banc court takes it up or the Supreme Court decides to take up the driveshaft case — American Axle v. Neapco — this ruling will be applied in lower courts, which attorneys said will lead to more mechanical patents being challenged. The justices have asked for the U.S. solicitor general's perspective in the American Axle case before deciding whether to grant the petition.

"I think it's going to embolden defendants to challenge more claims under Section 101," McKool Smith PC principal Scott Hejny said of the Yu ruling. "[101 has] already got a very confusing landscape of law, and I think Judge Newman is right that it brings uncertainty."

Finnegan Henderson Farabow Garrett & Dunner LLP partner Kevin D. Rodkey summed up the ruling in a warning for patent owners.

"A court's not going to say just because you have a mechanical invention, you're absolved from 101," Rodkey said.

The case is Yu v. Apple Inc., case number 20-1760, in the U.S. Court of Appeals for the Federal Circuit.

--Editing by Orlando Lorenzo and Kelly Duncan.