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Michel Says Drive Shaft Ruling Puts All Patents In Jeopardy

By **Dani Kass**

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Law360 (December 13, 2019, 6:35 PM EST) -- Former Federal Circuit Chief Judge Paul R. Michel is urging his old court to undo its decision to invalidate an American Axle & Manufacturing automobile drive shaft technology patent, saying it puts "seemingly every patent [in] eligibility jeopardy."

Michel submitted an amicus brief Thursday, backing AAM's bid to have its case **heard en banc**. He said if the U.S. Supreme Court's Alice and Mayo tests can be used to invalidate "industrial-process, physically based-patents" like AAM's under Section 101 of the Patent Act, then nothing is off limits.

"The test will eviscerate not just patent law, but also the incentives to innovate that patent laws promote," he wrote.

In Mayo Collaborative Services v. Prometheus, the justices held that natural phenomena are only patentable if there's an additional inventive concept. Alice Corp. v. CLS Bank was a similar ruling for abstract computer ideas.

AAM's suit had accused Neapco Holdings of infringing the patent covering a method of making drive shafts inserted with liners to reduce noise and vibrations. A Delaware federal judge granted Neapco a win on **summary judgment**, which the Federal Circuit upheld 2-1 in October.

AAM's Nov. 18 petition, which asks for rehearing by the panel or full court, said the panel did not spell out an exact natural law or abstract idea to prove its patent is ineligible under Section 101, which deals with what subject matter is eligible for patenting.

The majority had said the patent is directed toward "Hooke's law, and possibly other natural laws," which is too abstract, AAM said. Hooke's law describes the relationship between an object's mass, its stiffness and the frequency at which it vibrates.

Michel made several arguments in favor of AAM, including saying summary judgment was issued when it wasn't appropriate in the case's specific circumstances.

But on a broader scale, the retired judge said the panel made the mistake of reading one claim independently, without the context of the other steps. He said the case is "parallel" to the

Supreme Court's Diamond v. Diehr ruling, where the court said just because several steps involved ineligible equations doesn't mean that the company was trying to patent a mathematical formula.

A dozen law professors submitted a separate amicus brief in favor of rehearing Thursday, which likewise said the invention needs to be read as a whole, not distilled to its individual elements. When it comes down to it, "all inventions are applications of abstract ideas, laws of nature, and physical phenomena," they said.

"Amici once proposed as a reductio ad absurdum that even an automobile engine can be framed as a mere application of the laws of thermodynamics and thus deemed unpatentable," the professors said. "The panel majority decision has made this absurdity a legal reality."

In a third brief Thursday, the Biotechnology Innovation Organization also warned that this ruling could have extreme consequences, in which "almost any invention" could be deemed ineligible.

BIO said AAM's patent "specification invokes Hooke's law no more than it does the law of gravity," adding later that "just because an invention operates according to the laws of nature (as all inventions must) cannot mean that it is 'directed to' these laws."

AAM's petition also claims the panel added a Section 112 enablement requirement to challenges under Section 101, and BIO agreed. The organization urged the court to reconsider this as well, saying "the long-term impact on the future development of Section 112 jurisprudence is uncertain, but it cannot be good."

Earlier in the month, AAM received support from three other amici: the Intellectual Property Owners Association, patent attorney Jeremy C. Doerre of Tillman Wright PLLC, and the Alliance of U.S. Startups and Inventors for Jobs, with the latter saying the patent system is currently "on life support."

The decision had also led the ranking member of the House Judiciary Committee to **urge Congress** to come up with a new patent eligibility test after calling the decision "unthinkable."

"Neapco believes that, like American Axle's petition, the amicus briefs overstate the potential impact of the decision by inaccurately characterizing the claims at issue, and overlooking undisputed evidence before the panel," the company's attorney, J. Michael Huget of Honigman LLP, said in an email.

Counsel for AAM didn't immediately respond to a request for comment Friday.

The patent at issue is U.S. Patent No. 7,774,911.

BIO is represented by Aaron F. Barkoff and Christopher P. Singer of McAndrews Held & Malloy Ltd. and in-house by Melissa Brand and Hans Sauer.

Doerre is representing himself.

IPOA is represented by Mark J. Abate and Alexandra D. Valenti of Goodwin Procter LLP and in-house by Henry S. Hadad and Kevin H. Rhodes.

Michel is represented by John T. Battaglia.

The professors are represented by Matthew D. Zapadka of Bass Berry & Sims PLC and Scott A.M. Chambers of Arnall Golden Gregory LLP.

USIJ is represented by Robert P. Taylor of RPT Legal Strategies PC.

AAM is represented by James Nuttall, John Abramic, Katherine Johnson, Robert Kappers and Christopher A. Suarez of Steptoe & Johnson LLP.

Neapco is represented by J. Michael Huget, Dennis Abdelnour and Sarah Waidelich of Honigman LLP.

The case is American Axle & Manufacturing Inc. v. Neapco Holdings LLC, case number 18-1763, in the U.S. Court of Appeals for the Federal Circuit.

--Additional reporting by Ryan Davis and Tiffany Hu. Editing by Alyssa Miller.