IP Practitioners Speak Out on the U.S. Government's Approach in *American Axle* Brief

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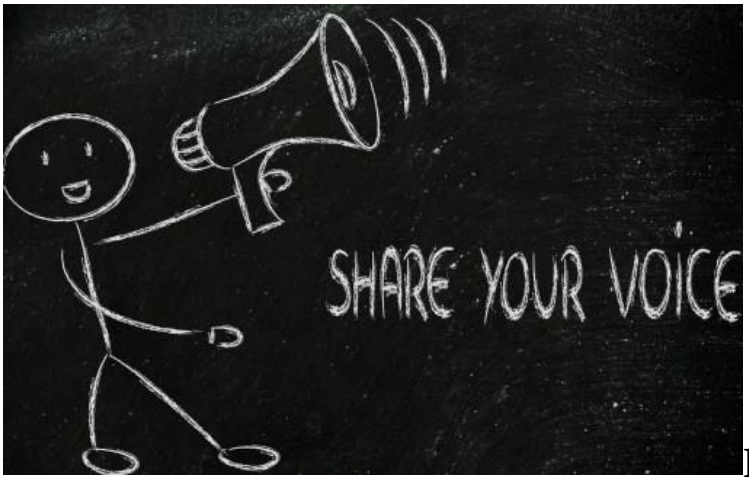

Last week, the United States Solicitor General recommended granting review in *American Axle & Manufacturing v. Neapco Holdings*, a case many in the patent community hope will provide clarity on U.S. patent eligibility law. The Supreme Court asked for the views of the Solicitor General in May of 2021 and the response has been anxiously-awaited for more than a year now, since the SG's recommendation on whether to grant or deny a petition is often followed by the Court.

The questions presented by the petition are:

1. What is the appropriate standard for determining whether a patent claim is "directed to" a patent-

ineligible concept under step 1 of the Court's two-step framework for determining whether an invention is eligible for patenting under 35 U.S.C. § 101?

2. Is patent eligibility (at each step of the Court's two-step framework) a question of law for the court based on the scope of the claims or a question of fact for the jury based on the state of art at the time of the patent?

The brief explains in no uncertain terms that claim 22 of the patent at issue does not "simply describe or recite" a natural law and ultimately should have been held patent eligible. The SG recommends granting the petition as to the first question presented by American Axle, "as framed in this brief," but deferring question two, since "[t]he answer to that satellite procedural question depends on the substantive Section 101 standard."

IPWatchdog asked stakeholders to weigh in on whether the SG took the right approach and what this latest development means for the fate of U.S. patent eligibility. Here is what they had to say.

Scott Hejny, McKool Smith

The SG's approach is correct, and while I understand why the focus is on Question 1, Question 2 is equally important. Section 101 has plagued patent litigants for years, the Federal Circuit is clearly divided on the issue, and parties need clarity on patent eligibility. *American Axle* is a good vehicle for a Section 101 analysis because the claim at issue is relatively simple, it relies on the

application of a law of nature (Hooke's law) to a process for manufacturing a tangible, physical element, and it provides the Supreme Court with relatively straightforward case for clarifying patent eligibility. No doubt there will still be challenges applying a single test to all areas (like software and life sciences), but the current *status quo* is untenable.

But we also need an answer as to whether patent eligibility is a legal, factual, or hybrid question. I think the Supreme Court will grant *cert* in this case, and I'm hopeful that it will address both questions. It's unlikely that the Court will take up another Section 101 case for some time, and I feel certain that's why the SG felt the need to focus on the criticality of Question 1.

Miranda Jones, Porter Hedges

SCOTUS's call for the views of the Solicitor General in response to the American Axle petition already signaled the Court's interest in potentially again taking up the issue of patent eligibility under Section 101. Given the opinions at the Federal Circuit and the amici briefing, it would be difficult for the Court to ignore the current confusion around the application of its *Alice* and *Mayo* decisions. Given the Solicitor General's recommendation that the Court grant American Axle's cert petition as to the first question, we would be surprised if the Court does not do so. Usually, a call for the views of the SG coupled with a grant recommendation from the SG results in a cert grant. Either way, however, uncertainty around patent eligibility will likely persist at least through 2022. If the Court grants cert, there

will be uncertainty until briefing is complete, argument occurs, and Court's decision is issued. And the Court may not be able to provide any substantively useful clarification. But if the Court declines to grant cert, there also will be uncertainty as we continue to muddle along under the current framework.

With respect to whether patent eligibility is a question of law or fact, the SG's recommendation is reasonable. Depending on the framework adopted, there may exist underlying questions of fact to the overarching question of law.

Jonathan Stroud, Unified Patents

The SG, as expected, had been waiting until the USPTO leadership was sat to move forward with their brief. It made the case for certiorari well by reframing question 1—both expanding and narrowing its focus to something that seemed, at least to me, more manageable for the Court to consider. It was shrewd to pass on the second question entirely; it makes the first more attractive. If the Court doesn't grant this, it seems unlikely they'll ever revisit *Alice*.

Wendy Verlander, Verlander LLP

The Solicitor General is certainly right that a review of patent eligibility law is desperately needed. This case should have been easy. That it wasn't is plain evidence of the quagmire created by *Alice* and its progeny. And the SG is also right that the Court needs to clarify the test – not only for patents implicating laws of nature – but, more importantly, for software, where decisions about what is abstract have been notoriously inconsistent. Emphasizing preemption as the overarching concern is also an important aspect of the SG's position, as that acts to cabin the analysis so that driveshafts and garage door openers are not found ineligible for patenting. At bottom, I would hope that if the Supreme Court accepts the case, it does not take the easy way out by merely addressing the immediate issue concerning laws of nature, but sets forth a clear test for eligibility, and particularly for abstractness, that isn't so much based on history (as the cases go in every direction) but a principled analysis of the reasons this determination is made in the first place.

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