Justices Told Fed. Circ. 'Crying Out' For ‘101 Patent Eligibility Help

By Dani Kass

Law360 (March 3, 2021, 9:28 PM EST) -- The deep divide among the full Federal Circuit about whether an American Axle driveshaft patent should have been invalidated for claiming a natural law is proof the circuit is "crying out" for help, attorneys said in one of many amicus briefs asking the U.S. Supreme Court to take up patent eligibility law.

The high court had received nine amicus briefs by Monday backing American Axle Manufacturing Inc.'s December petition to have the court review the current state of patent eligibility law under Section 101 of the Patent Act. They ranged from individual attorneys and legal organizations to a joint brief from a former Federal Circuit chief, a U.S. Patent and Trademark Office director and a current U.S. senator.

"The Federal Circuit has repeatedly failed to apply this court's patent eligibility test in a logical, reasonable, or consistent fashion," attorneys from McDonnell Boehnen Hulbert & Berghoff LLP wrote. "Such chaotic jurisprudence threatens to fundamentally damage U.S. patent law. … The Federal Circuit is crying out for this court's guidance, as illustrated in their decision denying American Axle's petition for rehearing en banc."

When denying en banc rehearing in a 6-6 split, the Federal Circuit issued more than 100 pages of opinions showing just how deep the divide on how to interpret Supreme Court patent eligibility decisions has become.

"The Federal Circuit sent increasingly blurred messages to litigants and inventors," Ameranth Inc. said in another brief. "Today, when the fate of patent claims worth millions or billions of dollars hang in the balance, the outcome depends on which side of the 6-6 American Axle divide comprises the panel majority in your case. To inventors and litigants, that becomes a very expensive, very perilous coin flip."

Ameranth, which had its own patent invalidated under Section 101, asked, "How can inventors meet a standard that even the ultimate arbiters of patent eligibility cannot articulate and apply uniformly?"

The Supreme Court has repeatedly been asked to clarify this area of the law, and even against the solicitor general's request, it has refused to do so.

Among the most prominent voices on the need to fix patent eligibility are Sen. Thom Tillis, R-N.C., former Federal Circuit Chief Judge Paul Michel and former USPTO Director David Kappos, who in their own brief said the "misinterpretation of Section 101 of our patent laws has created an unintelligible hash."

"The instability and uncertainty in Section 101 patent eligibility undermines the very foundation of the patent system as originally constructed by the Constitution's framers," they said. "Granting certiorari in this case will enable the court to resolve our current Section 101 confusion and provide the clarity necessary to restore that fundamental purpose."

A Federal Circuit panel had found several of American Axle's claims ineligible under Section 101 in July, holding they cover only a 17th-century equation known as Hooke's law, which describes the relationship between an object's mass, its stiffness and the frequency at which it vibrates. The decision was in a case where American Axle had accused Neapco Holdings LLC of infringement.

The Alliance of U.S. Startups and Inventors for Jobs had said the ruling in American Axle v. Neapco was "jaw-dropping and nonsensical."

"The decision would subject nearly every patent to an eligibility challenge and therefore to the whimsical vagaries of judges who may be confused by the rulings of this court and the Federal Circuit or who simply prefer to use their own subjective views of patentability," the USIJ said.

The Houston Intellectual Property Law Association noted that all mechanical inventions can be broken down to implementing a law of nature, as the Federal Circuit found here, but that doesn't mean they're not an innovation worthy of patenting.

"Indeed, if the Federal Circuit judges cannot agree on whether they should follow over 200

years of patent practice on when a mechanical invention is patentable, the system is truly broken," the HIPLA said.

Additional briefs were submitted by the New York City Bar Association, the Biotechnology Innovation Organization together with the Association of University Technology Managers Inc., Tillman Wright PLLC attorney Jeremy C. Doerre and Jeffrey A. Lefstin and Peter S. Menell, two professors at the University of California, Hastings College of Law.

Neapco has until March 31 to respond to the petition.

An attorney for Neapco declined to comment. Counsel for American Axle didn't immediately respond to a request for comment Tuesday.

The patent-in-suit is U.S. Patent No. 7,774,911.

Ameranth is represented by Jerrold J. Ganzfried of Ganzfried Law and Robert F. Ruyak of RuyakCherian LLP.

BIO and AUTM are represented by Jason Weil and Rachel J. Elsby of Akin Gump Strauss Hauer & Feld LLP and Melissa Brand and Hans Sauer of BIO.

The Chicago attorneys are represented by Kevin E. Noonan, Michael S. Borella, Aaron V. Gin and Adnan M. Obissi of McDonnell Boehnen Hulbert & Berghoff LLP.

Doerre is representing himself.

HIPLA is represented by L. Lee Eubanks IV of Eubanks PLLC.

Lefstin and Menell are representing themselves.

The New York City Bar Association is represented by Aaron L.J. Pereira of Panitch Schwarze Belisario & Nadel LLP, Timothy P. Heaton of the association's committee on patents and James R. Major of Norris McLaughlin PA.

Tillis, Michel and Kappos are represented by Robert J. Rando, Charles E. Miller and Kelly L. Morron of the Association of Amicus Counsel.

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

American Axle 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 of Honigman LLP.

The case is American Axle & Manufacturing Inc. v. Neapco Holdings LLC, case number 20-891, in the U.S. Supreme Court.

--Additional reporting by Ryan Davis. Editing by Andrew Cohen.