NYIPLA Amicus Brief in American Axle Urges Supreme Court to Return to Its Precedent in Diehr (ipwatchdog.com)

NYIPLA Amicus Brief in *American Axle* Urges Supreme Court to Return to Its Precedent in *Diehr*

By **Charles R. Macedo** & **David Goldberg** & **Chandler Sturm**
January 28, 2021

1
Print Article

"Since the claims at issue [in *American Axle*] are comparable to the claims found by this Court to be patent eligible in *Diehr*, which recited an industrial process that used a natural law, this case presents an excellent vehicle for the Supreme Court to clarify the unambiguous scope of Section 101."

 On January 25, 2020, the New York Intellectual Property Law Association (NYIPLA) filed an amicus brief urging the U.S. Supreme Court to grant the writ of certiorari in *American Axle & Manufacturing Co. Inc. v. Neapco Holdings LLC*, No. 20-891. The brief argues that the *American Axle* case is factually very similar to *Diamond v. Diehr*, 450 U.S. 175, 187 (1981), which "recognized that claims, including a calculation based on the Arrhenius equation as part of larger process for curing rubber, were patent eligible."

As background, in *American Axle & Mfg., Inc. v. Neapco Holdings LLC*, No. 18-1763, 967 F.3d 1285 (Fed. Cir. 2019), *modified*, 966 F.3d 1347 (Fed. Cir. 2020), a Federal Circuit panel affirmed the district court's finding that the asserted claims, directed to methods for manufacturing an improved driveshaft for an automobile, were ineligible as they invoked "nothing more" than a natural law, "Hooke's Law". An equally-divided (6-6 split) Federal Circuit denied rehearing *en banc*.

Although the NYIPLA offers no opinion on the merit of the claims at issue, it asks the Supreme Court to accept the petition and address the following questions presented by Petitioner American Axle:

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 the art at the time of the patent?

In its brief, the NYIPLA urges the U.S. Supreme Court to grant certiorari to clarify the law of patent eligibility, since, despite the plain and clear language of Section 101 of Title 35, there are conflicting interpretations of Supreme Court precedent on patent-eligible subject matter.

Courts are Divided as to How to Apply Subject Matter Eligibility Precedent

A split (2-1) Federal Circuit panel, in affirming the district court's holding, found the claims in question—directed to a new and useful industrial ***process*** for manufacturing an improved driveshaft for an automobile—ineligible for patenting as merely invoking a natural law, and nothing more. *American Axle*, 967 F.3d at 1304.

However, "an invention is not rendered ineligible for patent [protection] simply because it involves an abstract concept." *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208, 217 (2014). Under the Supreme Court's established judicial exceptions to patentability, a claim directed to an application of a law of nature can be found patent eligible. *Diamond v. Diehr*, 450 U.S. 175, 187 (1981).

The line between whether a claim is merely directed to a natural law or is directed to a practical application of that natural law was most clearly drawn in the Supreme Court's decision in *Diehr*. There, the Supreme Court held that comparable claims reciting an industrial ***process*** for curing rubber that used Arrhenius equation (a natural law), were "[i]ndustrial processes [of] the type[]s which have historically been eligible to receive the protection of our patent laws." *Id.* at 184.

Nevertheless, despite such precedent, a split Federal Circuit panel held the claims in question—similarly directed to a new and useful industrial ***process***—ineligible

for patenting simply because they "invoke natural laws, and nothing more." *American Axle*, 967 F.3d at 1304. Thus, as further evidenced by the fact that half of the active Federal Circuit judges dissented from the denial of rehearing *en banc*, it is clear the Federal Circuit is divided as to how to apply Supreme Court Section 101 jurisprudence.

Further, the United States Patent and Trademark Office's (USPTO) recognition that "[t]he growing body of precedent has become increasingly more difficult for examiners to apply in a predictable manner" and its attempt to derive a uniform set of guidelines in order to prevent inconsistent results, is indicative of the Supreme Court's need to clarify its Section 101 jurisprudence. *See 2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50, 51-52 (Jan. 7, 2019).

Consistent Application of the Law Regarding Patent-Eligible Subject Matter Is Crucial

Consistency in precedent is necessary to provide reliable judgments to avoid the harmful effects unpredictability and confusion as to eligible subject matter have on the economy, the patent system as a whole, and to inventors, business entities, investors, innovators attempting design around solutions, and other interested parties who need to understand what is, and is not, patentable.

This Is the Proper Case to Consider the Issue of Patent Eligibility

Since the claims at issue are comparable to the claims found by this Court to be patent eligible in *Diehr*, which recited an industrial process that used a natural law, this case presents an excellent vehicle for the Supreme Court to clarify the unambiguous scope of Section 101.

In addition, this case has already garnered considerable input from third party *amici curiae*, who filed briefs in support of American Axle's petition for

rehearing *en banc* at the Federal Circuit, representing the views of patent practitioners, intellectual property owners, and innovators.

Clarification is Crucial

Since the Supreme Court's decision in *Alice*, Section 101 has been applied in thousands of cases at the Federal Circuit, district courts, and the Patent Trial and Appeal Board, where the breadth of opinions offered are vast, diverse, and, as the USPTO notes, results in "similar subject matter [having] been described both as abstract and not abstract in different cases." 2019 Revised Guidance, 84 Fed. Reg. at 52.

It is evident that the Federal Circuit is split on how to properly interpret Supreme Court Section 101 jurisprudence, making clear the need for further Supreme Court clarification and guidance as to the scope of Section 101.

Counsel for the NYIPLA on the brief include Charles R. Macedo, principal counsel, David P. Goldberg and Chandler E. Sturm from Amster, Rothstein & Ebenstein LLP, Colman B. Ragan, President of the New York Intellectual Property Law Association, Robert M. Isackson and Melvin C. Garner from Leason Ellis LLP, Robert J. Rando from Taylor English Duma LLP, Thomas Landman from Wiggin and Dana LLP, William J. Thomashower from Pryor Cashman LLP, Kathleen Waybourn from the Law Office of Kathleen A. Waybourn, and Ksenia Takhistova.