

# Professors Tell SCOTUS to Correct the CAFC's 'Profound Misunderstanding' in *American Axle* Case



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March 4, 2021

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In one of six amicus briefs filed this week in [American Axle & Manufacturing v. Neapco Holdings, LLC](#)—the closely-watched Section 101 patent eligibility case involving driveshaft automotive technology—Professors Jeffrey Lefstin and Peter Menell told the U.S. Supreme Court that the Federal Circuit’s 6-6 split decision to deny en banc rehearing in the case “mischaracterized fundamental patent principles and case law on which the modern patent system is built.” The professors added that “current § 101 jurisprudence conflates patent eligibility with the substantive requirements set forth in § 103 and § 112 and is getting more confusing by the day” and that “there is no patent law doctrine more in need of clarification.”

## A Messy Past

In the [October 2019 panel opinion](#) in *American Axle*, the CAFC affirmed the U.S. District Court for the District of Delaware’s finding that the asserted claims were ineligible under 35 U.S.C. § 101 and Judge Moore dissented, arguing that the majority’s decision improperly expanded the reach of Section 101 “well beyond its statutory gate-keeping function,” and dubbing the original panel’s analysis “validity goulash.” Following that decision, American Axle (AAM) filed a joint petition for panel rehearing or rehearing *en banc* and several [amici weighed in](#) by filing briefs in support of AAM’s request.

Moore added in the [July 31, 2020 modified judgment](#) that the “majority’s *Nothing More* test, like the great American work *The Raven* from which it is surely borrowing, will, as in the poem, lead to insanity.”

AAM [filed a petition for certiorari](#) with the High Court on December 28, 2020, asking it to review the Federal Circuit's decisions. The questions it is asking the Supreme Court to consider 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?

## **Critical Error**

In their brief, Professors Lefstin and Menell explain that the case involves “a quintessential mechanical device that has long been eligible for utility patent protection,” namely, “A method for manufacturing a shaft assembly of a driveline system.” In finding such claims invalid under Section 101, the Federal Circuit made three “critical errors,” says the brief:

- (1) it stretches § 101 to absurd lengths to avoid dealing with essential factual issues necessary to invalidate a patent that the statute presumes is valid;
- (2) it misconstrues foundational patent cases to turn the § 112 enablement requirement into a subjective § 101 question; and
- (3) it exacerbates the confusion surrounding patent eligibility.

## **From Statute to ‘I-Know-it-When-I-See-it’**

While the Federal Circuit held that the patent claims in *American Axle* were invalid for being directed to nothing more than a fundamental law of nature (Hooke's Law – a law of elasticity discovered in 1660 by Robert Hooke), the professors noted that England and the United States have been granting patents to inventors claiming

practical applications of Hooke's Law for centuries. The CAFC should have looked to Sections 102, 103 and 112 instead of affirming the district court and holding that a claim may be directed to an ineligible law of nature in the first step of the *Alice/Mayo* inquiry, the brief explains. Instead, the court "shoehorned" the relevant claim of the patent into the Section 101 analysis "by asserting that a claim need not contain 'an express claim recitation of a natural law' to be 'directed to' a law of nature under *Mayo*." The court "short circuited" the Patent Act's structure by opining that, in order "to identify a law of nature that would render a claim *ineligible*, a court is not constrained by findings of fact or the text of the patent. But when assessing *Mayo*'s 'something more' that would render the claim *eligible*, the court must confine itself to the words of the claim." The brief adds:

*If not corrected, the Federal Circuit's decision will accelerate the extra-statutory and extra-textual metastasis of the patent eligibility doctrine, and supplant the careful statutory framework that Congress codified in the 1952 Act with an I-know-it-when-I-see-it test for patentability under § 101.*

## The Misunderstanding

The professors next argue that the Federal Circuit's "unprecedented expansions" of the patent eligibility analysis are based on "a profound misunderstanding" of two foundational cases: [\*Neilson v. Harford\*](#) (1841) and [\*O'Reilly v. Morse\*](#) (1854). *Neilson* is an English case from the Court of Exchequer that was relied upon heavily by the Supreme Court in *O'Reilly v. Morse*. The Federal Circuit asserted that *Neilson* was similar to *American Axle* in that "the patent did not recite the natural law, because the inventor was 'not aware of the nature and principle of his discovery,'" (that hot air would promote ignition in a blast furnace better than cold). However, the patent was ultimately upheld as eligible because it applied the principle in an inventive way, said the CAFC. But the professors argue that this argument comes from the defendants in the case, and not the Exchequer's opinion. Instead, the patent was ultimately held eligible by the English court because it and

a jury found that “one of ordinary skill in the art could practice the invention without undue experimentation”:

*Neilson’s patent was sustained precisely because his implementation required nothing beyond routine, well-known, and conventional activity. The defendants’ primary attack on the Neilson patent was enablement: they alleged that Neilson’s failure to describe the heating apparatus, as well as other refinements necessary to implement the hot blast in a blast furnace, rendered the specification defective. Both the patentee and the court deflected that attack by pointing out that all of the instrumentalities necessary to implement Neilson’s discovery were “perfectly well known” to those of skill in the art. Indeed, in English law, Neilson became the primary exemplar for the proposition that applying a new discovery by entirely old and conventional means sufficed for patentability.*

This misreading of *Neilson* led to an even more profound mistake in *American Axle*, argue the professors, because the CAFC’s opinion was based on its idea that “the *O’Reilly* test’ is a question of patent eligibility under § 101, rather than a question of enablement under § 112.” But the Supreme Court’s “extensive discussion of *Neilson* in *O’Reilly* makes clear that *O’Reilly* addressed enablement, not patent eligible subject matter,” says the brief. “The Court could not have been more clear that the ‘*O’Reilly* test’ was simply one of compliance with the statutory disclosure requirements.”

## **No Invention is Safe**

Finally, the professors express concern that the CAFC’s decision, if allowed to stand, will have far-reaching effects. “The Federal Circuit’s infusion of § 112 into § 101 vastly expands the reach of patent eligibility subjectivity well beyond the field of software and diagnostic patents into all manner of mechanical process and manufacture claims,” says the brief. This completely undermines Congress’ intent in the 1952 Patent Act to restore predictability at a time when “courts had become all too likely to invalidate patents based on a vague, unpredictable and extra-statutory doctrine of ‘invention.’” The professors conclude:

*We are not advocating that the Court lower the standards that Congress put in place to ensure that patents are granted only for significant technological advances that are adequately disclosed. We are, however, urging the Court to uphold and reinforce the structured framework that Congress established to provide greater clarity and predictability in the granting and enforcement of patents.*

Other amicus briefs have been filed by [Senator Thom Tillis/David Kappos/Judge Paul Michel](#); the [Houston Intellectual Property Law Association](#); [Jeremy Doerre](#); the [Biotechnology Innovation Organization and AUTM](#); and [Ameranth, Inc.](#)