Justices Told Smartwatch Case Is Best For Tackling Alice

By Ryan Davis · Listen to article

Law360 (April 24, 2022, 9:21 PM EDT) -- As the U.S. Supreme Court awaits the U.S. solicitor general's brief, requested a year ago, on whether the standard for patent eligibility needs clarification, a group of attorneys has told the justices a different case involving smartwatches is a better vehicle for addressing the issue.

Attorneys from McDonnell Boehnen Hulbert & Berghoff LLP filed an 21-1281%20amici%20brief.pdf">amicus brief Thursday telling the justices that an appeal filed last month by Interactive Wearables LLC presents an ideal way to resolve the "murky, inconsistent" case law on patent eligibility that has followed the high court's 2014 ruling in Alice v. CLS Bank.

The Supreme Court asked for the government's views on patent eligibility under Section 101 of the Patent Act in a case called American Axle & Manufacturing Inc. v. Neapco Holdings LLC in May 2021 and has not yet gotten a response. But the amicus brief argues that Interactive Wearables' dispute with Polar Electro is the eligibility case the justices should take.

"This case provides a better opportunity for this court to clarify Section 101 patent eligibility than in American Axle," the attorneys said.

That is because the case, in which the Federal Circuit affirmed a lower court ruling in a one-line order, "involves an intuitive technology," namely an audio and video content player, the attorneys said. The American Axle case, in contrast, "involves highly technical subject matter" related to car driveshafts and a complex mathematical formula, they added.

"Accordingly, amici submit that this matter is an opportune case for this court to rein in the lower courts' inconsistent application of Section 101 patent subject matter eligibility jurisprudence," the brief said.

In cases like Alice and Mayo v. Prometheus in 2012, the Supreme Court held that abstract

ideas and laws of nature are not eligible for patenting absent an additional inventive concept. The amicus brief argues that those rulings have confounded the courts ever since, so the high court must step in again.

"At present, there is no clear consensus, in the district courts or the Federal Circuit, as to how a court should apply this court's rubrics to properly conduct a patent eligibility analysis under Section 101," the attorneys said, adding that "this untenable situation has imposed a remarkably high cost to patentees, U.S. industry, and the public."

Where the American Axle case involves specialized mechanisms found ineligible for claiming the law of nature known as Hooke's law, the Interactive Wearables case is more straightforward because it involves widely available consumer electronics and patents found to cover abstract ideas, which are more frequently at the heart of eligibility disputes, the attorneys said.

Kevin Noonan of McDonnell Boehnen Hulbert & Berghoff LLP, one of the amici, said in an interview that since most patent eligibility cases involve either computers or medical diagnostics, the Interactive Wearables case is "more mainstream and would perhaps have more an influence and impact" if the court used it to set an eligibility standard.

Since Alice, the Supreme Court has received dozens of petitions asking it to clarify the law on patent eligibility. It has rejected every one.

Polar Electro has waived the right to respond to Interactive Wearables' certiorari petition. The company's attorney, Anthony Fuga of Holland & Knight LLP said Friday, "We view any further attention to this matter as a waste of resources" by the amici, the parties and the Supreme Court.

"Interactive Wearables and American Axle are beyond dissimilar" and any attempt to liken them to one another fails, he said. He noted that American Axle bitterly divided the Federal Circuit, but the appeals court summarily affirmed the lower court in Interactive Wearables.

"The Federal Circuit has spent countless hours and pages debating American Axle; the Federal Circuit dispelled Interactive Wearables as quickly as it could," Fuga said.

In the American Axle case, then-Delaware Judge Leonard Stark, who now sits on the

Federal Circuit, ruled that the patent the company accused Neapco of infringing on for a device to make cars quieter covers nothing more than law of nature regarding vibrations.

A Federal Circuit panel affirmed, but split 6-6 on whether to rehear the case en banc, producing over 100 pages of dueling views. American Axle told the justices in its cert petition in December 2020 that the case pushed the law on patent eligibility "past its breaking point," and "the entire patent system is desperate" for the high court to weigh in.

In the Interactive Wearables case, an Eastern District of New York judge ruled that the company's patent alleged to be infringed by Polar's M600 smartwatches is invalid for claiming nothing more than the abstract idea of providing information in conjunction with media content.

The Federal Circuit affirmed without an opinion, then denied an en banc review petition without comment. Interactive Wearables said in its March cert petition that its case raises "strikingly similar" issues to American Axle.

Like the amicus brief, Interactive Wearables suggested the simpler technology could make it a better vehicle for addressing eligibility, but it ultimately asked the court to just hold the petition until American Axle is resolved.

On Tuesday, the Supreme Court got yet another petition pleading for more clarity on patent eligibility. That one came from Spireon Inc., whose inventory management patent asserted against Procon Analytics LLC was invalidated by a Tennessee judge for claiming an abstract idea. The Federal Circuit then affirmed without an opinion.

Spireon said that because its case involves abstract ideas rather than a law of nature, it would be "an ideal companion case to American Axle," and the two should be heard together.

"The court should not let the Section 101 issue fester any longer. The time has come for the court to grant certiorari," it said.

The patents at issue in the Interactive Wearables case are U.S. Patent Nos. 9,668,016 and 10,264,311. The patent at issue in the Spireon case is U.S. Patent No. 10,089,598.

The amici in the Interactive Wearables case are Kevin Noonan, Aaron Gin and Daniel Gonzalez Jr. of McDonnell Boehnen Hulbert & Berghoff LLP.

Interactive Wearables is represented by Andrea Pacelli, Michael DeVincenzo and Charles Wizenfeld of King & Wood Mallesons LLP.

Polar Electro is represented by Anthony J. Fuga of Holland & Knight LLP.

Spireon is represented by David Jinkins, Anthony Blum, Alan Norman, Nathan Fonda and Kathleen Kraft of Thompson Coburn LLP.

Counsel for Procon at the Supreme Court was not immediately available. At the Federal Circuit, it was represented by Patterson Intellectual Property Law PC.

The cases are Interactive Wearables LLC v. Polar Electro Oy et al., case number 21-1281; and Spireon Inc. v. Procon Analytics LLC, case number 21-1370, at the U.S. Supreme Court.

--Editing by Kristen Becker.