

U.S. Supreme Court rejects American Axle case on patent eligibility

By [Blake Brittain](#)



A general view shows American Axle & Manufacturing (AAM) plant, an automotive supplier to GM, in Silao, Mexico October 9, 2019. Picture taken October 9, 2019. REUTERS/Sergio Maldonado NO RESALES. NO ARCHIVES.

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WASHINGTON, June 30 (Reuters) - The U.S. Supreme Court on Thursday declined to hear American Axle & Manufacturing Inc's ([AXL.N](#)) bid to revive its patent on technology for quieting driveshaft noise, turning away a case that may have clarified the circumstances under which inventions warrant a patent.

The justices rejected American Axle's appeal of a lower court ruling that invalidated the Detroit-based company's patent in a legal fight with Farmington Hills, Michigan-based rival Neapco Holdings. Critics have said court precedent on patent eligibility has produced unpredictable decisions and undermined the U.S. patent process.

President Joe Biden's administration in May urged the high court to take up the case, saying American Axle's invention was a classic example of a patent-eligible industrial process.

The Supreme Court last addressed patent eligibility in a 2014 ruling called *Alice Corp v. CLS Bank International* that helped establish a two-part eligibility test. The test requires courts to determine if an invention involves an unpatentable abstract idea, natural phenomenon or law of nature, and if so, whether it includes an inventive concept.

Defendants in patent-infringement cases often challenge the validity of patents to try to end these cases quickly. Detractors have said the Alice case ruling and subsequent decisions guided by it have created confusion and inconsistency that has led courts to cancel patents on inventions that should be protected.

American Axle sued Neapco in federal court in Delaware in 2015, accusing it of infringement of a patented method of manufacturing a driveshaft that vibrates less. At issue were Neapco driveshafts made for the Chevy Colorado and GMC Canyon pickup trucks.

After a judge in Delaware ruled in favor of Neapco, American Axle appealed to the Washington-based Court of Appeals for the Federal Circuit, which specializes in patent law, but lost again. A three-judge Federal Circuit panel voted 2-1 to invalidate American Axle's patent after finding that it covered a simple application of Hooke's law, a physics principle.

The Federal Circuit then decided, thanks to a 6-6 deadlock, not to rehear the case with all of its judges. Dissenting judges said the panel's decision could threaten "most every invention for which a patent has ever been granted," and that the court's eligibility rulings had turned the patent system into a "litigation gamble."

The dispute left the Federal Circuit "bitterly divided" and "at a loss" on how to apply the law, as one of its judges put it. All 12 of the Federal Circuit's then-active judges asked the Supreme Court to hear a similarly divisive 2019 case that the high court rejected despite a recommendation by former President Donald Trump administration's to take it up.

The Supreme Court has also denied several other petitions related to patent eligibility since the Alice case.

An attorney for Neapco said the decision validates its view that the current framework for patent eligibility does not need to be overhauled.

American Axle and its lead attorney in the case did not immediately respond to a request for comment.

The U.S. Patent and Trademark Office declined to comment.

High Court Rejects American Axle's Patent Eligibility Bid

By [Dani Kass](#) · [Listen to article](#)

Law360 (June 30, 2022, 11:20 AM EDT) -- The U.S. Supreme Court on Thursday turned away one of the most closely watched patent eligibility petitions to date, dashing the hopes of those who want the justices to provide more clarity on the subject.

American Axle's case had divided the Federal Circuit 6-6 and led to more than 100 pages of opinions from the judges, making attorneys optimistic that the justices would use it to clarify their 2014 [Alice](#) ruling. The justices had expressed some interest in the case, [asking](#) the government in [May 2021](#) to weigh in as they considered whether to take it up, but they turned the case down despite the solicitor general and [U.S. Patent and Trademark Office](#) [advocating](#) for the petition to be accepted.

In litigation with Neapco Holdings LLC, a [Federal Circuit panel](#) in 2019 found several of American Axle's claims ineligible under Section 101 of the Patent Act. That precedential 2-1 decision concluded the claims 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 court in July 2020 denied an [en banc rehearing](#) in a 6-6 split that highlighted just how deep the divide on interpreting Supreme Court patent eligibility decisions has become. The panel also withdrew its original opinion and issued a new one, but it still led to a split decision. Rather than invalidate all the claims at issue, the new opinion remanded the case for further proceedings on some of them.

American Axle's December 2020 [petition](#) said "the entire patent system is desperate" for clarity from the Supreme Court, while [amici](#) added that "the Federal Circuit is crying out for this court's guidance."

Neapco had [shot back](#) that just because the case evoked passionate responses didn't

mean it was incorrectly decided.

But like many times before, the court [refused](#) to step in on patent eligibility, despite calls from judges, attorneys, inventors and politicians [begging](#) for clarity.

"Neapco is pleased that the Supreme Court declined to grant American Axle's petition," the company said in a statement. "The decision is validation of Neapco's long-standing view that American Axle's patent claims are invalid, and that the court's current Section 101 framework set forth in the Alice and Mayo cases did not need to be overhauled, as American Axle and the government argued."

A representative for the U.S. Patent and Trademark Office declined to comment. Counsel for American Axle didn't immediately respond to a request for comment.

The patent-in-suit is U.S. Patent No. [7,774,911](#).

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 [Supreme Court of the United States](#).

--Additional reporting by Ryan Davis. Editing by Marygrace Anderson.

Update: This story has been updated with comment from Neapco, and the USPTO's response.