No. 13-298

In the Supreme Court of the United States

ALICE CORPORATION PTY., LTD.,

Petitioner,

v.

CLS BANK INTERNATIONAL, ET AL.,

Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF OF AMICUS CURIAE PAUL R. MICHEL IN SUPPORT OF NEITHER PARTY

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INTEREST OF THE AMICUS CURIAE[1]

Amicus Curiae Paul R. Michel is the only living retired Chief Judge of the United States Court of Appeals for the Federal Circuit, the review tribunal for essentially all patent validity rulings. Judge Michel has a strong interest in offering neutral advice to the Court on construing the Court's implied exceptions to the patent statute regarding eligibility so as to advance innovation, here particularly in connection with computers, computer-implemented inventions, and computer software operating on a general purpose computer. On the basis of his service on the court for over 22 years, hearing thousands of patent appeals, he may have insights of use to the Court.

SUMMARY OF THE ARGUMENT

For the future of the country, it is essential to advance the constitutional purpose of promoting the progress of science and useful arts through the patent system by supporting innovation in computers and computer programs. U.S. Const. Art. I, § 8, cl. 8.

Congress intended statutory patent eligible subject matter to include "anything under the sun

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[1] No counsel for a party authored this brief in whole or in part, and no such counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than the *amicus curiae* or his counsel made a monetary contribution to its preparation or submission. *Amicus* understands that Petitioners and Respondents have both consented to the filing of amicus briefs in this appeal.

that is made by man." *Diamond v. Chakrabarty*, 447 U. S. 303, 309 (1980).

The claims are the sole measure of the patent grant, *Aro Mfg. Co. v. Convertible Top Co.*, 365 U.S. 330, 339 (1960), and must be considered as a whole in determining eligibility of claimed inventions under section 101; it is inappropriate to dissect the claims into old and new elements and then ignore the presence of the old elements in the analysis. *Diamond v. Diehr*, 450 U.S. 175, 188-89 (1981).

The criteria for patent-eligibility should exclude only clearly ineligible inventions, allowing the other sections of the Patent Act—sections 102, 103 and 112 on conditions of patentability—to perform their respective functions.

ARGUMENT

I. COMPUTER INNOVATION IS MORE IMPORTANT TODAY THAN EVER BEFORE

It can hardly be doubted that the availability of patent protection for computer hardware contributed significantly to the astounding advances in computer science and the increasing importance of computers celebrated when TIME Magazine named the computer Man of the Year for 1982. It is no less important today, more than 30 years later, in supporting continuing and escalating innovation in computer technology, for both computer hardware and computer software. Indeed, it is vastly more important. Computers pervade American life today and enable inventions in every other technology, holding promise to improve daily life in every imaginable way, particularly in eliminating diseases

and disabling conditions that have plagued humans for millennia.

The computer and the software controlling it impact every person through incorporation into vehicles on land, sea, air, below the sea, and in space; communications devices that realize recent science fiction; and innumerable devices in virtually every other important field of human activity. For the future of the country, it is essential to advance the constitutional purpose of promoting the progress of science and useful arts through the patent system by supporting innovation in computers and computer programs. U.S. Const., Art. I, § 8, cl. 8.

Along with the advance of computers into everyday life has come an inability to draw lines between what is or is not a computer, what is or is not software, what is or is not a "business" method as opposed to a "technical" method. All other sorts of bright line-drawing have similarly become virtually or wholly impossible. It was with a certain understanding of the importance of fostering advancing technology and refusing to draw bright lines that exclude new technologies that Congress approached its drafting of Section 101, and this Court, for the most part, has recognized such broad application.

II. CONGRESS INTENDED STATUTORY PATENT ELIGIBLE SUBJECT MATTER TO INCLUDE "ANYTHING UNDER THE SUN THAT IS MADE BY MAN" AS MEASURED AGAINST THE CLAIMS AS A WHOLE

In *Diamond v. Chakrabarty*, the Court observed:

> The Committee reports accompanying the 1952 Act inform us that Congress intended statutory subject matter to "include anything under the sun that is made by man." S. Rep. No.1979, 82d Cong., 2d Sess., 5 (1952); HR. Rep. No.1923, 82d Cong., 2d Sess., 6 (1952).

447 U.S. 303, 309 (1980).

The Court adhered to this perspective in *Diamond v. Diehr*, 450 U.S. 173, 182 (1981), when holding that, in assessing eligibility under Section 101 of the Patent Act, claims are not to be dissected, as occurred in *Parker v. Flook*, 437 U.S. 584 (1978), but to be evaluated "as a whole." *Flook* was in that regard an aberration, for the Court had long assessed compliance with all requirements of the Act by analyzing the claims in view of all their limitations together.

This Court and the Federal Circuit have also repeatedly emphasized that the claims are the sole measure of the patent grant. For example, in *Aro Mfg. Co. v. Convertible Top Co.*, the Court emphasized the preeminence of the claims in defining the actual invention:

> Since the patentees never claimed the fabric or its shape as their invention, and ***the claims made in the patent are the sole***

> ***measure of the patent grant***, the fabric is no more than an unpatented element of the combination that was claimed as the invention.

365 U.S. 336, 339 (1961) (internal citations omitted).

This Court and the Federal Circuit look to the patent specification to understand the claims, but the claims are ultimately what controls:

> It is a "bedrock principle" of patent law that "the claims of a patent define the invention to which the patentee is entitled the right to exclude." That principle has been recognized since at least 1836, when Congress first required that the specification include a portion in which the inventor "shall particularly specify and point out the part, improvement, or combination, which he claims as his own invention or discovery." Act of July 4, 1836, ch. 357, § 6, 5 Stat. 117, 119. In the following years, the Supreme Court made clear that the claims are "of primary importance, in the effort to ascertain precisely what it is that is patented." *Merrill v. Yeomans*, 94 U.S. 568, 570 (1876). Because the patentee is required to "define precisely what his invention is," the Court explained, it is "unjust to the public, as well as an evasion of the law, to construe it in a manner different from the plain import of its terms." *White v. Dunbar*, 119 U.S. 47, 52 (1886)….

Phillips v. AWH Corp., 415 F.3d 1303, 1312 (Fed. Cir. 2005) (en banc) (Federal Circuit citations omitted).

III. IN DETERMINING ELIGIBILITY OF CLAIMED INVENTIONS UNDER §101, THE CLAIMS MUST BE CONSIDERED AS A WHOLE; IT IS INAPPROPRIATE TO DISSECT THE CLAIMS INTO OLD AND NEW ELEMENTS AND THEN IGNORE THE PRESENCE OF THE OLD ELEMENTS IN THE ANALYSIS

In *Diamond v. Diehr*, the Court, emphasized that the claim as a whole should be considered for Section 101 analysis, and that claims cannot be divided into old and new parts for the analysis:

> In determining the eligibility of respondents' claimed process for patent protection under §101, their claims must be considered as a whole. It is inappropriate to dissect the claims into old and new elements and then to ignore the presence of the old elements in the analysis. This is particularly true in a process claim because a new combination of steps in a process may be patentable even though all the constituents of the combination were well known and in common use before the combination was made. The 'novelty' of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the §101 categories of possibly patentable subject matter.

450 U.S. at 188-89. To that end, the Court overruled statements to the contrary in the aberrational *Parker v. Flook*, 437 U.S. 584 (1978).

This warning is particularly important when applying this Court's non-statutory exceptions to

Section 101. Those exceptions focus on whether a claimed invention "preempts" all uses of a law of nature or abstract idea, or whether it recites nothing more than "conventional" or "obvious" variants of a law of nature or abstract idea. *See Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. __ (2012). If a claim can be sliced-and-diced, however, it is likely that each element of the claim is, by itself, old and conventional, and is preemptive of a truly broad range of implementations, as no one works from scratch but God. Similar dangers arise when attempting to shoehorn a claim with many elements into an oversimplified, core idea behind the invention, rather than recognizing every one of the claim elements as important in defining the invention.

The reference in *Bilski v. Kappos*, 561 U.S. 130 (2010), to "abstractness" as a ground of ineligibility for computer-related claims amplifies this problem and sets out a dangerous road to travel. "Abstractness" is a vague and subjective notion that has proven entirely unworkable, and unavoidably yields inconsistent and unpredictable results in the hands of 7,000 examiners and some 1,000 district judges, not to mention the countless thousands of patent attorneys, inventors, business leaders, and investors who need to interpret the law when making decisions about investing in patents, licensing, and funding or settling litigation.

Clearer lines are urgently needed and can only be provided by this Court as the creator and arbiter of the judicially-created "exceptions" to statutory patent eligibility, including "abstract ideas," whatever that means.

A better analysis would produce an administrable standard. It is suggested that software algorithms, if specifically disclosed, should themselves impart patent eligibility when claimed together with a computer. So should software that effectively makes a general-purpose computer into a specialized computer (a "machine"). Such features certainly turn a mere abstraction into a real-world implementation, and the concept of "abstractness" should not be extended any further than that, lest its edges blur entirely and lead to more confusion in the courts and the bar.

Nor should the Court rely on statements in its two recent life-science Section 101 cases *Mayo v. Prometheus*, 566 U.S. __ (2012) and *Ass'n For Molecular Pathology v. Myriad Genetics, Inc.*, __ U.S. __ (2013), beyond those statements' applicable bounds, lest they be applied in a manner that does not fit the realities of computer technology. The language of those cases has been read to sanction dissection of claims into relevant and irrelevant limitations, contrary to *Diehr*. Such an approach is particularly unsuitable in computer cases because any software solution can be described at high levels that will necessarily be abstract, and lower levels that will not. Dissection of software claims inexorable leads to a too-abstract characterization of the invention, then directly to "abstractness," and then to invalidity for the claims, whether that is the deserved result or not.

In addition, these opinions have been interpreted as assuming that only eligibility under Section 101 can perform the task of weeding out over-broad patents, to the exclusion of obviousness under Section 103. Their language conflates the inquiries

under Sections 101 and 103—e.g., speaking of "obvious and conventional" features of an invention—and to the extent that such was not intended, *amicus* urges the Court to clarify its statements about "conventional" and "obvious" steps.

In any event, whether such notions were helpful to deciding those particular cases is immaterial because any such assumptions are unhelpful and potentially hurtful in computer cases. They can lead to arguments that particular features of a claim are not new or are obvious (when the real inquiry is whether the claim as a whole is new or nonobvious, and Congress decreed that such inquiry is under Sections 102 and 103). And they can lead to inevitable abstracting of an otherwise patent-eligible claim via the removal of any individual elements deemed conventional, and the question of whether the little that remains is abstract or not.

Therefore, the Court should return to its seminal precedent in *Diehr*, a computer case, which provides the best approach. Any recourse to the aberrational approach of *Flook* or the unworkable notion of relative abstractness of *Bilski* will complicate, confuse, and confound the patent law. It would also cripple, if not destroy, computer-related industries, of which there are many and which are vital to the future of the country in today's highly competitive global economy.

IV. FOLLOWING THE ENTIRE CLAIM APPROACH FOR PATENT ELIGIBILITY WILL ASSIST APPLICANTS, THEIR ATTORNEYS, AND PATENT EXAMINERS IN WORKING TOGETHER TO DEFINE SUBJECT MATTER PROPERLY REGARDED AS PATENT ELIGIBILE

Of special importance to any decision by the Court is providing concrete, yet tolerant, guidance to patent applicants, their attorneys, and patent examiners at the entrance to the patent system so that they can work together to properly define computer technology inventions for which patent protection is sought.

"'The days of an adversarial relationship with patent applicants are over,'" former Patent and Trademark Office Director David J Kappos told an audience of academics, practitioners, and a few of his employees, during his recent term. 79 Patent, Trademark & Copyright J. 101 (Nov. 27, 2009). In his first few months in office, Kappos said that "[he] had repeatedly instructed examiners to help applicants find patentable subject matter." *Id.*

But the high promise of broad benefit inherent in this approach cannot be realized unless the Court provides criteria more useful than, in effect, simply saying: "avoiding excessive 'abstractness.'" What is needed is drawing lines that are objective and categorical, not matters of degree that are inherently unknowable until many years after a patent has issued and has been enforced (at great expense to the patentee, the courts, and the targets of enforcement). At that point in time, it is too late, when some appellate judges finally resolve the

mystery involved in the futile up-front effort of trying to apply indeterminate eligibility criteria.

The criteria should exclude only clearly ineligible inventions, allowing the other sections of the Patent Act—sections 102, 103, and 112 on conditions of patentability—to perform their respective functions. It is hard enough for the public, examiners, and judges to determine the bounds of "abstractness" when that term is kept close to home, where its edges can be kept sharp. But if the Court lets the concept spread and its edges bleed and blur, neither computer innovation nor the public at large will benefit. Instead, spreading and dilution of the doctrine will result in uncertainty and attendant commercial expense—to patent owners attempting to craft definite claims, to third parties trying to determine what they can and cannot do, and to courts and litigants waiting to see what the final word is in this very complex area.

CONCLUSION

Amicus submits that claims are first to be examined or reviewed for eligibility under Section 101 considering all their limitations, and then examined or evaluated in like manner for indefiniteness, enablement, and adequate description under §112, novelty under §102, and meeting the ultimate condition for patentability of non-obviousness under §103. Implied exceptions should be used only for clear cases of patent claims that would preempt basic and fundamental technological building blocks.

Respectfully submitted.

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