

Nos. 2018-2103, -2228

**United States Court of Appeals
for the Federal Circuit**

THE CHAMBERLAIN GROUP, INC.,

Plaintiff-Appellee,

v.

**TECHTRONIC INDUSTRIES CO. LTD., TECHTRONIC INDUSTRIES
NORTH AMERICA, INC., ONE WORLD TECHNOLOGIES, INC., OWT
INDUSTRIES, INC., RYOBI TECHNOLOGIES, INC.,**

Defendants-Appellants,

ET TECHNOLOGY (WUXI) CO. LTD.,

Defendant.

On Appeal from the United States District Court for the
Northern District of Illinois, No. 1:16-CV-06097
Hon. Harry D. Leinenweber, Presiding

**CORRECTED BRIEF OF AMICUS CURIAE
JEREMY C. DOERRE
IN SUPPORT OF REHEARING**

November 6, 2019

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CERTIFICATE OF INTEREST

Counsel for Amicus Curiae Jeremy C. Doerre certifies the following:

1. The full name of every party or amicus represented by me is:

Jeremy C. Doerre

2. The name of any real party in interest represented by me (other than identified in question 3) is:

Jeremy C. Doerre

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:

none

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court (and who have not or will not enter an appearance in this case) are:

none

5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal is (*See* Fed. Cir. R. 47. 4(a)(5) and 47.5(b)):

none (although Amicus is counsel for appeal no. 2019-1062 addressing related legal issues)

Dated: November 6, 2019

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TABLE OF CONTENTS

CERTIFICATE OF INTEREST	i
TABLE OF CONTENTS.....	iii
TABLE OF AUTHORITIES	v
RULE 29 STATEMENT	1
ARGUMENT	1
I. Rehearing would be advantageous to clarify who bears the burden to establish whether a claim “contains an ‘inventive concept’ ‘sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.”.....	3
A. There is a risk that some observers might read the Court’s opinion as suggesting that it is permissible to place the burden on a patentee to establish that a claim “contains an ‘inventive concept’ ‘sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.”	3
B. This Court’s indication that the presumption of validity of 35 U.S.C. § 282 applies to eligibility such that claims are “presumed patent eligible” leads to the conclusion that a patent challenger has the burden to “prove that the patent does not satisfy the[] prerequisites [of 35 U.S.C. § 101] before the patent loses its presumption of validity.”	5
C. Seemingly, in order to “prove that the patent does not satisfy the[] prerequisites [of 35 U.S.C. § 101],” a patent challenger must establish that a claim alleged to be directed to an abstract idea does not “contain[] an ‘inventive concept’ ‘sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.”	6
II. Rehearing would be advantageous to clarify how to establish that a claim does not “contain[][] an ‘inventive concept’ ‘sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.”	7

- A. Supreme Court precedent indicates that determining whether a claim directed to an abstract idea contains an “inventive concept in its application” involves determining whether, “once that [abstract idea] is assumed to be within the prior art, the [claim], considered as a whole, contains no patentable invention.”8
- B. Does establishing that a claim does not “contain[] an ‘inventive concept’ ‘sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application” require establishing that “once that [abstract idea] is assumed to be within the prior art, the [claim], considered as a whole, contains no patentable invention”?9

CONCLUSION 12

CERTIFICATE OF SERVICE I

CERTIFICATE OF COMPLIANCE..... II

TABLE OF AUTHORITIES

Cases

<i>Alice Corp. Pty. Ltd. v. CLS Bank Int’l</i> , 134 S. Ct. 2347 (2014).....	3-4, 6-7, 9-11, <i>passim</i>
<i>Athena Diagnostics, Inc. v. Mayo Collaborative Services</i> , appeal no. 2017-2508, Order (Fed. Cir. July 3, 2019).....	9
<i>Berkheimer v. HP Inc.</i> , 881 F.3d 1360, 1367 (Fed. Cir. 2018)	11
<i>Cable Elec. Prods. Inc. v. Genmark, Inc.</i> , 770 F.2d 1015 (Fed. Cir.1985)	5-7
<i>Carducci v. Regan</i> , 714 F.2d 171 (D.C. Cir. 1983).....	4
<i>Cellspin Soft, Inc. v. Fitbit, Inc.</i> , appeal no. 2018-1817 (Fed. Cir. Jun. 25, 2019)	5-6
<i>Diamond v. Diehr</i> , 450 U.S. 175 (1981).....	<i>passim</i>
<i>Graham v. John Deere Co.</i> , 383 U.S. 1 (1966).....	2
<i>Hotchkiss v. Greenwood</i> , 52 U.S. 248 (1851).....	2, <i>passim</i>
<i>Lear Siegler, Inc. v. Aeroquip Corp.</i> , 733 F.2d 881 (Fed. Cir. 1984)	5-7
<i>Mayo Collaborative Servs. v. Prometheus Labs., Inc.</i> , 566 U.S. 66 (2012).....	3-4, 6-7, 9-11, <i>passim</i>
<i>Parker v. Flook</i> , 437 U.S. 584 (1978).....	8-11, <i>passim</i>

Statutes

35 U.S.C. § 101*passim*
35 U.S.C. § 1032
35 U.S.C. § 2825

RULE 29 STATEMENT

Amicus is a patent attorney whose only interest is in obtaining this Court's guidance regarding eligibility law. Amicus has no interest or stake in any party or in the outcome of this case, and no current client with a direct interest in the outcome of this case (although Amicus is counsel for no. 2019-1062 addressing related legal issues).

No party or counsel for a party: authored this brief in whole or in part or contributed money that was intended to fund preparing or submitting this brief. No person other than Amicus contributed money that was intended to fund preparing or submitting this brief.

Defendants-Appellants do not oppose filing of this brief. Plaintiff-Appellee consented to filing of this brief.

ARGUMENT

The Opinion for the Court¹ indicated that “[t]he only described difference between the prior art movable barrier operator systems and the claimed movable barrier operator system is that the status information about the system is communicated wirelessly, in order to overcome certain undesirable disadvantages

¹ Dkt. No. 61 at 1 (hereinafter the “Opinion”).

of systems using physical signal paths—additional cost, exposed wiring, and increased installation time.”²

This would appear to present a straightforward question of whether the *Hotchkiss* condition for patentable invention is satisfied. In particular, this would appear to present the question, as codified by Congress,³ of whether “th[is] difference[] between the claimed invention and the prior art [is] such that the claimed invention as a whole would have been obvious ... to a person having ordinary skill in the art to which the claimed invention pertains.”⁴

Instead, the Court had to wade through jurisprudence regarding an implicit exception to 35 U.S.C. § 101 to conclude that “claim 1 is directed to wirelessly communicating status information about a system,”⁵ and consider whether an “inventive concept exists in the asserted claims sufficient to transform the abstract idea of [wirelessly] communicating status information about a system into a patent-eligible application of that idea.”⁶

² Opinion at 5-6.

³ In *Graham v. John Deere Co.*, 383 U.S. 1 (1966), the Court found that “the [1952 Patent Act] was not intended by Congress to change the general level of patentable invention,” and “conclude[d] that [35 U.S.C. § 103] was intended merely as a codification of judicial precedents embracing the *Hotchkiss* condition” for patentable invention. *Graham*, 383 U.S. at 17 (referencing *Hotchkiss v. Greenwood*, 52 U.S. 248 (1851)).

⁴ 35 U.S.C. § 103.

⁵ Opinion at 5.

⁶ Opinion at 10.

I. Rehearing would be advantageous to clarify who bears the burden to establish whether a claim “contains an ‘inventive concept’ ‘sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.”⁷

A. There is a risk that some observers might read the Court’s opinion as suggesting that it is permissible to place the burden on a patentee to establish that a claim “contains an ‘inventive concept’ ‘sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.”⁸

Ultimately, the Court concluded that “[b]ecause CGI does not point to any inventive concept present in the ordered combination of elements beyond the act of wireless communication, we find that no inventive concept exists in the asserted claims sufficient to transform the abstract idea of communicating status information about a system into a patent-eligible application of that idea.”⁹

Amicus suspects that the Court likely conducted a more detailed analysis and determined for itself that the claims do not contain an inventive concept, rather than simply finding it appropriate to conclude that “no inventive concept exists in the asserted claims”¹⁰ “[b]ecause CGI does not point to any inventive concept present in the ordered combination of elements.”¹¹

⁷ *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2357 (2014) (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 72 (2012)).

⁸ *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 566 U.S. at 72).

⁹ Opinion at 10.

¹⁰ *Id.*

¹¹ *Id.*

However, many decision makers look to this Court for guidance, and there is a risk that some observers might read the Court’s opinion as suggesting that it is appropriate to conclude that “no inventive concept exists in [] asserted claims”¹² “[b]ecause [a patentee] does not point to any inventive concept present in the ordered combination of elements,”¹³ i.e. that it is appropriate to place the burden on a patentee to establish that a claim “contains an ‘inventive concept’ sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.”¹⁴

Amicus suspects that the Court did not intend to make such a suggestion,¹⁵ and believes that this Court’s precedent suggests a contrary answer to the question of who bears this burden. Amicus urges that rehearing, in the form of either panel clarification or rehearing en banc, would be advantageous to clarify who bears this burden.

¹² *Id.*

¹³ *Id.*

¹⁴ *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 566 U.S. at 72).

¹⁵ Given that “appellate courts do not sit as self-directed boards of legal inquiry and research, but essentially as arbiters of legal questions presented and argued by the parties before them,” *Carducci v. Regan*, 714 F.2d 171, 177 (D.C. Cir. 1983) (Scalia, J.), there was no particular reason for this Court to have at the forefront of its mind the question of which party bears the burden to establish whether a claim contains an inventive concept, and thus no reason for the Court to craft its opinion with this issue in mind.

B. This Court’s indication that the presumption of validity of 35 U.S.C. § 282 applies to eligibility such that claims are “presumed *patent eligible*”¹⁶ leads to the conclusion that a patent challenger has the burden to “prove that the patent does not satisfy the[] prerequisites [of 35 U.S.C. § 101] before the patent loses its presumption of validity.”¹⁷

Recently, this Court confirmed that the presumption of validity of 35 U.S.C. § 282 applies to questions of patent eligibility under 35 U.S.C. § 101 such that claims in an issued patent are “presumed *patent eligible*.”¹⁸

Given that the presumption of validity applies, a patent challenger presenting an eligibility challenge must “prove that the patent does not satisfy the[] prerequisites [of 35 U.S.C. § 101] before the patent loses its presumption of validity,”¹⁹ and as the “party asserting invalidity [has] the initial burden of going forward to establish a prima facie case on that issue”²⁰ and the ultimate “burden of

¹⁶ *Cellspin Soft, Inc. v. Fitbit, Inc.*, appeal no. 2018-1817, slip op. at 23 (Fed. Cir. Jun. 25, 2019).

¹⁷ *Id.*

¹⁸ *Cellspin*, appeal no. 2018-1817, slip op. at 23 (“To the extent the district court departed from this principle by concluding that issued patents are presumed *valid* but not presumed *patent eligible*, it was wrong to do so.” (emphasis in original)).

¹⁹ *Id.*

²⁰ *Cable Elec. Prods. Inc. v. Genmark, Inc.*, 770 F.2d 1015, 1022 (Fed. Cir.1985) (quoting *Lear Siegler, Inc. v. Aeroquip Corp.*, 733 F.2d 881, 885 (Fed. Cir. 1984)) (“The presumption of section 282 is ‘a procedural device which places on a party asserting invalidity the initial burden of going forward to establish a prima facie case on that issue.’”)

persuasion on the issue[,] ... [which burden] rests throughout the litigation with the party asserting invalidity,”²¹ and never shifts to the patentee.

C. Seemingly, in order to “prove that the patent does not satisfy the[] prerequisites [of 35 U.S.C. § 101],”²² a patent challenger must establish that a claim alleged to be directed to an abstract idea does not “contain[] an ‘inventive concept’ ‘sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.”²³

In *Mayo* and *Alice*, after reviewing its prior eligibility jurisprudence, the Supreme Court outlined a two-part framework for eligibility analysis under the implicit exception to 35 U.S.C. § 101. In particular, the Supreme Court indicated that “[w]e must first determine whether [a] claim[] at issue [is] directed to a[n] [abstract idea],”²⁴ and if so, “[a]t *Mayo* step two, we must examine the elements of the claim to determine whether it contains an ‘inventive concept’ ‘sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.”²⁵

Thus, with respect to a claim alleged to be directed to an abstract idea, “prov[ing] that the patent does not satisfy the[] prerequisites [of 35 U.S.C. § 101] [so that] the patent loses its presumption of validity”²⁶ requires establishing that the

²¹ *Cable Elec.*, 770 F.2d at 1022 (quoting *Lear Siegler*, 733 F.2d 881 at 885).

²² *Cellspin*, appeal no. 2018-1817, slip op. at 23.

²³ *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 566 U.S. at 72).

²⁴ *Id.* at 2355.

²⁵ *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 566 U.S. at 72).

²⁶ *Cellspin*, appeal no. 2018-1817, slip op. at 23.

claim both (i) is directed to an abstract idea, and (ii) does not “contain[] an ‘inventive concept’ ‘sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.”²⁷

Accordingly, as part of the patent challenger’s “initial burden of going forward to establish a prima facie case”²⁸ of ineligibility, the challenger must establish that a claim alleged to be directed to an abstract idea does not “contain[] an ‘inventive concept’ ‘sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.”²⁹ Further, the patent challenger has the ultimate “burden of persuasion on the issue[,] ... [which burden] rests throughout the litigation with the party asserting invalidity,”³⁰ and never shifts to the patentee.

II. Rehearing would be advantageous to clarify how to establish that a claim does not “contain[[]] an ‘inventive concept’ ‘sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application.”³¹

If a patent challenger bears the burden to establish that a claim alleged to be directed to an abstract idea does not “contain[] an ‘inventive concept’ ‘sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application,”³² then

²⁷ *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 566 U.S. at 72).

²⁸ *Cable Elec.*, 770 F.2d at 1022 (quoting *Lear Siegler*, 733 F.2d at 885).

²⁹ *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 566 U.S. at 72).

³⁰ *Cable Elec.*, 770 F.2d at 1022 (quoting *Lear Siegler*, 733 F.2d at 885).

³¹ *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 566 U.S. at 72).

³² *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 566 U.S. at 72).

rehearing would be advantageous to provide guidance to patent challengers on how to meet this burden.

A. Supreme Court precedent indicates that determining whether a claim directed to an abstract idea contains an “inventive concept in its application”³³ involves determining whether, “once that [abstract idea] is assumed to be within the prior art, the [claim], considered as a whole, contains no patentable invention.”³⁴

The Court had previously articulated such an “inventive concept” inquiry in *Parker v. Flook*, indicating that “the discovery of [] a phenomenon cannot support a patent unless there is some other inventive concept in its application.”³⁵

The Court in *Flook* explicitly outlined its reasoning for finding that there was no inventive concept sufficient to confer eligibility, making clear that the claimed “process [wa]s unpatentable under § 101, not because it contains a mathematical algorithm as one component, but because once that algorithm is assumed to be within the prior art, the application, considered as a whole, contains no patentable invention.”³⁶

Thus, the Supreme Court in *Flook* made clear that determining whether a claim directed to an abstract idea contains an “inventive concept in its

³³ *Parker v. Flook*, 437 U.S. 584, 594 (1978).

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

application”³⁷ involves determining whether, “once that [abstract idea] is assumed to be within the prior art, the [claim], considered as a whole, contains no patentable invention.”³⁸

B. Does establishing that a claim does not “contain[] an ‘inventive concept’ ‘sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application”³⁹ require establishing that “once that [abstract idea] is assumed to be within the prior art, the [claim], considered as a whole, contains no patentable invention”?⁴⁰

“Three decades after *Diehr*, *Mayo* provided a framework for the judicial exceptions that strongly tracked the reasoning of *Flook* and the *Diehr* dissent.”⁴¹ In particular, “*Mayo*’s rationale [] follows the point of novelty/inventive concept reasoning of *Flook* and the *Diehr* dissent.”⁴² Further, “[i]n *Alice*, the Court reaffirmed this reversion to *Flook*.”⁴³

Although the Court offered various formulations of the inventive concept inquiry in *Alice* and *Mayo*, these formulations are consistent with its indication in *Flook* that determining whether a claim directed to an abstract idea contains an

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 566 U.S. at 72).

⁴⁰ *Flook*, 437 U.S. at 594.

⁴¹ *Athena Diagnostics, Inc. v. Mayo Collaborative Services*, appeal no. 2017-2508, Dkt. No. 142 (Order on Petition for Rehearing En Banc) at 30 (concurring slip op. at 6) (Fed. Cir. July 3, 2019) (Chen, J., concurring).

⁴² *Id.* at 31 (concurring slip op. at 7) (Chen, J., concurring).

⁴³ *Id.* at 33 (concurring slip op. at 9) (Chen, J., concurring).

“inventive concept in its application”⁴⁴ involves determining whether, “once that [abstract idea] is assumed to be within the prior art, the [claim], considered as a whole, contains no patentable invention.”⁴⁵

In this regard, a combination of elements that satisfies the *Hotchkiss* condition for patentable invention even when the abstract idea “is assumed to be within the prior art,”⁴⁶ i.e. a combination of elements that is novel and nonobvious over that abstract idea, clearly qualifies as an inventive concept under all of these formulations in that it “transform[s] the [claim] into an inventive application of the [abstract idea],”⁴⁷ is “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [[abstract idea]] itself,”⁴⁸ and “adds [some]thing to the [abstract idea] that is not already present when the [elements] are considered separately.”⁴⁹

Thus, under any of the various inventive concept formulations set forth in *Alice* and *Mayo*, establishing that a claim does not “contain[] an ‘inventive concept’ ‘sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application”⁵⁰ would seem to at least require establishing that the claim does not

⁴⁴ *Flook*, 437 U.S. at 594.

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ *Alice*, 134 S. Ct. at 2358 (quoting *Mayo*, 566 U.S. at 81).

⁴⁸ *Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 566 U.S. at 73).

⁴⁹ *Mayo*, 566 U.S. at 79.

⁵⁰ *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 566 U.S. at 72).

include a combination of elements that is novel and nonobvious over the abstract idea.⁵¹

This is directly in accord with the Supreme Court’s indication in *Flook* that determining whether a claim directed to an abstract idea contains an “inventive concept in its application”⁵² involves determining whether, “once that [abstract idea] is assumed to be within the prior art, the [claim], considered as a whole, contains no patentable invention.”⁵³

Thus, Amicus would urge that establishing that a claim does not “contain[] an ‘inventive concept’ sufficient to ‘transform’ the claimed abstract idea into a patent-eligible application”⁵⁴ requires establishing that “once that [abstract idea] is assumed to be within the prior art, the [claim], considered as a whole, contains no patentable invention,”⁵⁵ e.g. because the *Hotchkiss* condition for patentable invention is not satisfied.

⁵¹ Amicus notes that this is likely a lower bar for a patent challenger than that which might be suggested by this Court’s indication that “[t]he second step of the Alice test is satisfied when the claim limitations involve more than performance of well-understood, routine, [and] conventional activities previously known to the industry.” *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1367 (Fed. Cir. 2018) (internal quotations omitted).

⁵² *Flook*, 437 U.S. at 594.

⁵³ *Id.*

⁵⁴ *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 566 U.S. at 72).

⁵⁵ *Flook*, 437 U.S. at 594.

CONCLUSION

Amicus urges that rehearing would be advantageous for the reasons set forth herein.

Dated: November 6, 2019

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CERTIFICATE OF SERVICE

I certify that I electronically filed the foregoing document using the Court's CM/ECF Filing System on November 6, 2019. All counsel of record were served via CM/ECF on November 6, 2019.

Paper copies will be filed with the Court within the time provided in the Court's rules. Paper copies will also be mailed to counsel for each party in the case at the time paper copies are mailed to the Court.

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1. This brief complies with the type-volume limitation of Federal Rule of Appellate Procedure 29(a)(4).

The brief contains 2599 words, excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(f) and Federal Circuit Rule 32(b).

2. This brief complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type style requirements of Federal Rule of Appellate Procedure 32(a)(6).

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