

Case No. 2019-1808; -1812; -1813; -1814

IN THE

United States Court of Appeals
for the Federal Circuit

VOIP-PAL.COM, INC.,

Plaintiff-Appellant,

v.

TWITTER, INC.,

Defendants-Appellee.

(For Continuation of Caption See Inside Cover)

*On Appeal from the United States District Court for
The Northern District of California in Nos. 5:18-cv-04523-LHK, 5:18-cv-06054-
LHK, 5:18-cv-6177-LHK and 5:18-cv-06217-LHK*

**BRIEF OF *AMICI CURIAE* US INVENTOR, INC., AND RAYMOND A.
MERCADO, PH.D., IN SUPPORT OF APPELLANT'S COMBINED PETITION FOR
PANEL REHEARING AND REHEARING EN BANC**

**Rockridge Venture Law
200 W MLK Blvd STE 1000
Chattanooga, TN 37402**

*Counsel for Amici Curiae
US Inventor, Inc.
Raymond A. Mercado, Ph.D.*

VOIP-PAL.COM, INC.,
Plaintiff-Appellant,

v.

CELLCO PARTNERSHIP, dba Verizon Wireless Services LLC,
Defendant-Appellee.

VOIP-PAL.COM, INC.,
Plaintiff-Appellant,

v.

AT&T CORP.,
Defendant-Appellee.

VOIP-PAL.COM, INC.,
Plaintiff-Appellant,

v.

APPLE, INC.,
Defendant-Appellee.

CERTIFICATE OF INTEREST

In accordance with Federal Circuit Rule 47.4, counsel for *amici curiae* US Inventor, Inc. and Raymond A. Mercado, Ph.D., certifies the following:

1. The full name of every party or amicus represented by me: US Inventor, Inc; Raymond A. Mercado, Ph.D.
2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me: N/A.
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: N/A.
4. The names of all law firms and the partners or associates that have appeared for the party in the lower tribunal or are expected to appear for the party in this court and who are not already listed on the docket for the current case: 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: None.

TABLE OF CONTENTS

CERTIFICATE OF INTEREST ii
TABLE OF CONTENTS..... iii
TABLE OF AUTHORITIES iv
STATEMENT OF IDENTITY AND INTEREST OF AMICI CURIAE 1
ARGUMENT.....2
 THIS COURT SHOULD GRANT EN BANC REHEARING TO ADDRESS
 WORSENING PROCEDURAL UNCERTAINTY SURROUNDING CLAIM
 CONSTRUCTION DISPUTES IN PLEADING-STAGE § 101 MOTIONS.....2
CONCLUSION8
CERTIFICATE OF SERVICE.....9
CERTIFICATE OF COMPLIANCE10

TABLE OF AUTHORITIES

CASES

Aatrix Software, Inc. v. Green Shades Software, Inc., 882 F.3d 1121 (Fed. Cir. 2018)..... 4

Alice Corp. Pty. Ltd. v. CLS Bank Int’l, 134 S. Ct. 2347 (2014) 2, 5

Athena Diagnostics, Inc. v. Mayo Collaborative Services, LLC, 927 F.3d 1333 (Fed. Cir. 2019)..... 2, 3

Cleveland Clinic Foundation v. True Health Diagnostics LLC, 859 F.3d 1352 (Fed. Cir. 2017)..... 5

CLS Bank Intern. v. Alice Corp. Pty. Ltd., 717 F.3d 1269 (Fed. Cir. 2013)..... 5

Groundswell Technologies, Inc. v. Synapsense Corporation, 2016 WL 6661177 (C.D. Cal. 2016) 6

Hyper Search, LLC v. Facebook, Inc., 2018 WL 6617143 (D. Del. Dec. 17, 2018) 6

In re Donaldson Co., Inc., 16 F.3d 1189 (Fed. Cir. 1994) (en banc) 7

Landmark Technology, LLC v. Assurant, Inc. 2015 WL 4388311 (E.D. Tex. 2015) 6

Mayo Collaborative Servs. v. Prometheus Labs, Inc., 566 U.S. 66 (2012) 2, 6

Natural Alternatives Int’l, Inc. v. Creative Compounds, LLC, 918 F.3d 1338 (Fed. Cir. 2019)..... 3

Nice Ltd. v. Callminer, Inc., 2020 WL 529709 (D. Del. Feb. 3 2020)..... 3

OpenTV, Inc. v. Netflix Inc., 2014 WL 7185921 (N.D. Cal. Dec. 16, 2014)..... 6

PPS Data, LLC v. Jack Henry & Associates, Inc., 404 F.Supp.3d 1021 (E.D. Tex. 2019)..... 2

TC Heartland LLC v. Kraft Foods Grp. Brands LLC, 137 S. Ct. 1514 (2017) 4

Uniloc USA Inc. v. LG Elecs. USA Inc., No. 19-1835, Oral Arg. Recording at 11:21-11:29 (Fed. Cir. Mar. 3, 2020) (Moore, J.) 7

STATUTES

35 U.S.C. § 112(6)..... 6, 7

35 U.S.C. § 112(f)..... 6, 7

35 U.S.C. 101 passim

OTHER AUTHORITIES

Dennis Crouch, *Athena Loses on Eligibility – Although 12 Federal Circuit Judges Agree that Athena’s Claims Should be Eligible*, PATENTLYO (Jul. 3, 2019) 2

James Ware & Brian Davy, *The History, Content, Application and Influence of the Northern District of California's Patent Local Rules*, 25 Santa Clara Computer & High Tech. L.J. 965, 1005 (2009)..... 4

Megan M. La Belle, *The Local Rules of Patent Procedure*, 47 Ariz. St. L.J. 63, 96 (2015)..... 4

Paul R. Gugliuzza, *The Procedure of Patent Eligibility*, 97 Tex. L. Rev. 571, 626 (2019)..... 3, 6

Raymond A. Mercado, *Resolving Patent Eligibility and Indefiniteness in Proper Context, Applying Alice and Aristocrat*, 20 Va. J. L & Tech. 240 (2016) 1

Timothy R. Holbrook & Mark D. Janis, *Patent-Eligible Processes: An Audience Perspective*, 17 Vand. J. Ent. & Tech. L. 349 (2015) 4

RULES

E.D.N.C. Local Patent Rule 303.3(a)(5)..... 4

E.D.N.C. Local Patent Rule 304.6..... 4

Federal Rule of Appellate Procedure 29(a) 1

Federal Rule of Appellate Procedure 29(c)(5)..... 1

M.D.N.C. Patent Local Rule 103.3..... 4

M.D.N.C. Patent Local Rule 104.6..... 4

STATEMENT OF IDENTITY AND INTEREST OF *AMICUS CURIAE*

Amicus curiae US Inventor, Inc., is a nonprofit inventor organization representing over 20,000 inventors, startup owners, executives and others interested in their success. Their extensive experience with the patent system, new technologies and startup companies and the resulting ties to the health of the American economy make them well situated to explain the importance of the issues presented in this case.

Amicus curiae Raymond A. Mercado, Ph.D., is a political scientist and patent law scholar who has written on the law of patentable subject matter under 35 U.S.C. § 101 at issue in this case, and is interested in the wholesome development of the law. *See, e.g.*, Raymond A. Mercado, *Resolving Patent Eligibility and Indefiniteness in Proper Context, Applying Alice and Aristocrat*, 20 Va. J. L & Tech. 240 (2016).

Pursuant to Federal Rule of Appellate Procedure 29(a), *amici curiae* hereby state that all parties have consented to the filing of this brief.

Pursuant to Federal Rule of Appellate Procedure 29(c)(5), *amici curiae* affirm that no counsel for a party authored this brief in whole or in part, no party or party's counsel contributed money that was intended to fund preparing or submitting this brief, and no person—other than *amici curiae*—contributed money that was intended to fund preparing or submitting this brief.

ARGUMENT

I. THIS COURT SHOULD GRANT EN BANC REHEARING TO ADDRESS WORSENING PROCEDURAL UNCERTAINTY SURROUNDING CLAIM CONSTRUCTION DISPUTES IN PLEADING-STAGE § 101 MOTIONS.

Each of the twelve active members of this Court has expressed the need for greater guidance in eligibility doctrine under 35 U.S.C. 101, as the dissents and concurrences in *Athena Diagnostics, Inc. v. Mayo Collaborative Services, LLC*, 927 F.3d 1333, 1334-73 (Fed. Cir. 2019) bear witness.¹ Since the “only thing clear about the appropriate test for patent-eligible subject matter is that it is unclear,” “[a]ppellate courts and district courts alike have called for intervention and clarification from the Supreme Court or the Congress.”²

Meanwhile *amici*, like others in the patent law community, must operate under the *Mayo/Alice* regime as we find it.³ While we await intervention from the Supreme Court or Congress, *amici* would urge this Court to do its utmost to create a workable set of rules for adjudicating § 101 eligibility within the framework we have today.

¹ See Dennis Crouch, *Athena Loses on Eligibility – Although 12 Federal Circuit Judges Agree that Athena’s Claims Should be Eligible*, PATENTLYO (Jul. 3, 2019) (“the en banc denial includes eight (8) separate opinions – **all of which call for Supreme Court or Congressional intervention.**”) (emphasis original), <https://patentlyo.com/patent/2019/07/eligibility-although-eligible.html>.

² *PPS Data, LLC v. Jack Henry & Associates, Inc.*, 404 F.Supp.3d 1021, 1039 n. 8 (E.D. Tex. 2019) (“[t]his Court joins that chorus”) (citing *Athena*, 927 F.3d at 1342).

³ “Mayo/Alice” here refers to the two-part analysis resulting from *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347 (2014) and *Mayo Collaborative Servs. v. Prometheus Labs, Inc.*, 566 U.S. 66 (2012).

This case is an opportunity to do exactly that. And unlike *Athena*, where the majority believed *Mayo* precluded the Court from reaching a different result, *Mayo/Alice* do not block the Court from sitting en banc in this case to address a critical procedural issue in the application of § 101.

This case presents the exceptionally important question—recently raised by Judge Reyna⁴—whether this Court should adopt a *per se* rule requiring claim construction before the issue of § 101 eligibility may be decided. As such, it offers the Court a chance to address worsening and well-recognized “procedural uncertainty about how to resolve disputes over claim construction on pleading-stage eligibility motions.”⁵ *Amici* would support the adoption of a bright-line rule, as have a number of commentators.⁶ Such a rule makes eminent sense, particularly in the

⁴ See *Natural Alternatives Int’l, Inc. v. Creative Compounds, LLC*, 918 F.3d 1338, 1354 (Fed. Cir. 2019) (Reyna, J., concurring-in-part, dissenting-in-part). Some courts have echoed Judge Reyna’s misgivings. See, e.g., *Nice Ltd. v. Callminer, Inc.*, 2020 WL 529709, at *8 (D. Del. Feb. 3 2020) (quoting *Natural Alternatives*, 918 F.3d at 1354 (Reyna, J., concurring-in-part, dissenting-in-part)).

⁵ Paul R. Gugliuzza, *The Procedure of Patent Eligibility*, 97 Tex. L. Rev. 571, 626 (2019).

⁶ See Gugliuzza, *supra* note 5, at 626 (“it would not be ideal to have district judges rule on claim meaning based on the complaint and the patent alone. Claim construction is a complex and contentious question, and it is often the most important issue in a patent case...the reality is that, before interpreting patent claims, district judges regularly consider expert testimony and affidavits, technology tutorials presented by the parties, and even the advice of court-appointed technical advisors. The technologically complex and esoterically written patent document is simply too difficult for a generalist judge to understand without that extra help.”); Timothy R. Holbrook & Mark D. Janis, *Patent-Eligible Processes: An Audience Perspective*, 17

wake of *TC Heartland LLC v. Kraft Foods Grp. Brands LLC*, 137 S. Ct. 1514 (2017), when patent litigation is being handled by a more diverse set of district courts whose local patent rules differ widely—indeed, most of which do not even *have* local patent rules.⁷

Ironically, it was this Court’s decision in *Markman v. Westview Instruments, Inc.*, 52 F.3d 967 (Fed. Cir. 1995) (en banc), that heavily influenced the Northern District of California’s Patent Local Rules (PLR’s), and this Court again that influenced the 2008 revision of the PLR’s, prompting a forward-looking procedural process for § 101 invalidity contentions.⁸ These PLR’s - widely applauded by

Vand. J. Ent. & Tech. L. 349, 365-76 (2015) (“A patent-eligibility analysis that is not informed by any antecedent claim construction might...force an ill-considered claim construction on the fly, under the dubious guise of applying eligibility rules. Faced with these unpalatable choices, the Federal Circuit has thus far refused to commit to either course, instead attempting to mediate this tension with a rule that appears to permit the court to do whatever it wishes in any given case. The eligibility analysis would be better served by a requirement that it be preceded by a claim construction.”).

⁷ See Megan M. La Belle, *The Local Rules of Patent Procedure*, 47 Ariz. St. L.J. 63, 96 (2015) (noting that “approximately two-thirds of district courts have *not* adopted local patent rules,” and “claim construction” is among “matters disparately handled by each district”).

⁸ See James Ware & Brian Davy, *The History, Content, Application and Influence of the Northern District of California's Patent Local Rules*, 25 Santa Clara Computer & High Tech. L.J. 965, 1005 (2009) (noting that “if the accused infringer intends to challenge the validity of the asserted claims as non-statutory subject matter under 35 U.S.C. § 101, Rule 3-3(d) requires the basis of the assertion to be disclosed in the invalidity contentions...likely in response to the recent resurgence of § 101 as a viable basis for invalidating patents”).

commentators, adopted by other jurisdictions, and approved by this Court – identified an ideal procedure for articulating § 101 invalidity theories, not in the early pleadings stage but after claim construction.⁹ Yet this was not the procedure followed by the court below.

Confusingly, this Court has sometimes highlighted patentees’ failure to propose specific constructions, while stopping short of explicitly *requiring* them to defeat a pleading-stage § 101 motion.¹⁰ Is it really patentees’ burden to propose specific, fully fleshed out constructions at the pleading stage?¹¹ *Amici* submit that it is unduly burdensome to force patentees—in a single pleading-stage opposition brief—to explain their technology to generalist district court judges; propose specific, fully fleshed-out claim constructions; and then defend § 101 eligibility under the two-step *Mayo-Alice* regime. To do so risks erroneous § 101

⁹ *Id.*

¹⁰ *See, e.g., Cleveland Clinic Foundation v. True Health Diagnostics LLC*, 859 F.3d 1352, 1360 (Fed. Cir. 2017) (noting that “Cleveland Clinic provided no proposed construction of any terms...that would change the § 101 analysis.”)

¹¹ *See, e.g., OpenTV, Inc. v. Netflix Inc.*, 2014 WL 7185921, at *5 (N.D. Cal. Dec. 16, 2014) (rejecting the notion that “plaintiffs should be put to the burden of advancing, and supporting, a specific claim construction at this juncture.”)

determinations and undermines patentees' right to procedural due process.¹² The better way would be to defer decisions on eligibility until after claim construction.¹³

This Court should also grant rehearing to address a related issue in the way district courts are handling claim construction in pleading-stage eligibility motions.

As stated above, all asserted patent claims deserve a proper construction prior to finding them subject to a Section 101 objection during the pleading (or at any) stage of a litigation. In the same fashion, means-plus-function claims deserve no less consideration. However, contrary to 35 U.S.C. § 112(f) (and its pre-AIA predecessor operative in this case, § 112(6)), many courts are failing to construe means-plus-function claims before holding them ineligible at the pleading stage.¹⁴ This cavalier treatment of means-plus-function claims is in violation of the statute, which requires that they “**shall** be construed to cover the corresponding structure, material, or act described in the specification and equivalents thereof.” 35 U.S.C. § 112(6)

¹² See *supra* note 5.

¹³ *Amici* would also point out that such a bright-line rule is, ultimately, not inconsistent with *Alice*. Although the district court in *Alice* “did not conduct claim construction before reaching the merits of the § 101 issue,” *Alice* was decided on summary judgment, the record was more expansive than Rule 12 allows (including an expert declaration), and neither party sought to defer resolution of § 101 until claim construction. *CLS Bank Intern. v. Alice Corp. Pty. Ltd.*, 717 F.3d 1269, 1275 (Fed. Cir. 2013).

¹⁴ See, e.g., *Landmark Technology, LLC v. Assurant, Inc.* 2015 WL 4388311, at *3 (E.D. Tex. 2015) (“the mere presence of means plus function terms does not require a deferred ruling on validity under § 101”); *Hyper Search, LLC v. Facebook, Inc.*, 2018 WL 6617143, at *5 (D. Del. Dec. 17, 2018) (same).

(emphasis added); *see also In re Donaldson Co., Inc.*, 16 F.3d 1189, 1195 (Fed. Cir. 1994) (en banc). Here, the court below similarly failed to construe Appellant’s means-plus-function claims—including, Claim 28 of the ‘815 Patent—in spite of the fact that Appellant provided a construction of Claim 28 including algorithmic structure from the specification in support of Appellant’s contention that Claim 28 is “directed to a special purpose routing controller.” Appx001315.

Indeed, this Court recently raised the same issue *sua sponte* at oral argument, during which Judge Moore stated that “this is a question of law and these are means-plus-function claims and I don’t see any way around that.”¹⁵ The practice of evading the statutory requirements of § 112(6) (and § 112(f)) cannot be allowed to continue. Means-plus-function claims are too often being improperly construed or completely ignored during pleading stage motions. *Amici* request that this improper practice be addressed and resolved by the Court en banc.

CONCLUSION

For the foregoing reasons, the Court should rehear the case en banc.

¹⁵ *Uniloc USA Inc. v. LG Elecs. USA Inc.*, No. 19-1835, Oral Arg. Recording at 11:21-11:29 (Fed. Cir. Mar. 3, 2020) (Moore, J.).

Respectfully submitted,

Rockridge Venture Law

/s/ Kevin Christopher

Kevin Christopher

Jerry Canada

(615) 200-6500

Counsel for Amici Curiae

CERTIFICATE OF SERVICE

I hereby certify that on this 29th day of April 2020, I caused the foregoing ***Brief of Amici Curiae in Support of Appellant's Combined Petition for Rehearing and Rehearing En Banc*** to be filed via CM/ECF with the Clerk of Courts, thereby electronically serving it on all counsel of record in this matter.

/s/ Kevin Christopher

Kevin Christopher

Jerry Canada

(615) 200-6500

Counsel for Amici Curiae

CERTIFICATE OF COMPLIANCE

Pursuant to Federal Rules of Appellate Procedure 29(c)(7) and 32(a)(7), the undersigned certifies that this brief complies with the type-volume limitations of Federal Rules of Appellate Procedure 29(d) and 37(a)(7)(B)(i).

1. Exclusive of the exempted portions of the brief, as provided in Fed. R. App. P. 32(a)(7)(B)(iii) and Federal Circuit Rule 32(b), this brief includes 2,023 words.

2. This brief has been prepared in proportional space typeface using Microsoft Word in 14-point font. As permitted by Fed. R. App. P. 32(a)(7)(C), the undersigned has relied upon the word count of this word processing system in preparing this certificate.

/s/ Kevin Christopher

Kevin Christopher
Jerry Canada

Counsel for Amici Curiae