

2018-2239, 2019-1000

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

CUSTOMEDIA TECHNOLOGIES, INC.,  
Appellant,

– v. –

DISH NETWORK CORPORATION, DISH NETWORK, LLC,  
Appellees.

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*Appeals from the United States Patent and Trademark Office, Patent Trial and  
Appeal Board in No. CBM2017-00023, CBM2017-00032*

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**BRIEF OF AMICUS CURIAE PAUL R. MICHEL, U.S. CIRCUIT JUDGE  
(RET.) IN SUPPORT OF REHEARING EN BANC**

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May 18, 2020

**UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT**

Customedia Technologies, Inc.

v.

Dish Network Corporation, Dish Network, LLC

Case No. 2018-2239, 2019-1000

**CERTIFICATE OF INTEREST**

Counsel for the:

(petitioner)  (appellant)  (respondent)  (appellee)  (amicus)  (name of party)

John T. Battaglia, Esq.

certifies the following (use "None" if applicable; use extra sheets if necessary):

1. Full Name of Party Represented by me	2. Name of Real Party in interest (Please only include any real party in interest NOT identified in Question 3) represented by me is:	3. Parent corporations and publicly held companies that own 10% or more of stock in the party
Paul R. Michel, U.S. Circuit Judge (Ret.)		

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. *See* Fed. Cir. R. 47. 4(a)(5) and 47.5(b). (The parties should attach continuation pages as necessary).  
NONE

May 18, 2020

\_\_\_\_\_  
Date

/s/ John T. Battaglia

\_\_\_\_\_  
Signature of counsel

Please Note: All questions must be answered

John T. Battaglia

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Printed name of counsel

cc: Paul R. Michel, U.S. Circuit Judge (Ret.)  
\_\_\_\_\_

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## RULE 29 STATEMENT<sup>1</sup>

Amicus Curiae is a former Circuit Judge of the U.S. Court of Appeals for the Federal Circuit, appointed in 1988 and serving until his retirement as Chief Judge in 2010. During that time, Judge Paul R. Michel helped decide more than 1000 appeals involving patent law. He has since been frequently called on to speak, testify and provide guidance on those laws. This case concerns Amicus because, *inter alia*, the inconsistent “*directed to*” definitions for the §101 rulings-at-issue undermine patent law and its needs for consistency and predictability.

## ARGUMENT

This case presents the Court with the *en-banc* obligation and opportunity to clarify its precedents and hold that, as to both step-one of the *Mayo-Alice* framework generally *and* the step-one test for improved computer technology, the phrase “*directed to*” should have the *same* definition. It means the “*plain focus*” of the claim language is indeed on or “*directed essentially to*” the step-one ineligible category “*itself*” or the step-one improved technology “*itself*.”

The panel, to be sure, repeatedly holds as much for step one’s “directed to” test for improved computer technology. *Customedia Techs., LLC v. Dish Network*

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<sup>1</sup> This brief was not authored in whole or in part by any party's counsel; no person or entity other than amicus financially contributed to its preparation or submission; and amicus has no stake in the parties or outcome. The DISH Appellees don't consent to this filing. A motion for leave is being filed herewith.

*Corp.*, Nos. 18-2239, 19-1000 (Fed. Cir. March 6, 2020) (“Op. \_”); Op. 8, 11, 6-7. As it emphasized, “[t]o be a patent-eligible improvement to computer functionality, we have required the *claims to be directed to* an improvement in the functionality of the computer or network platform *itself.*” *Id.* at 8; *id.* at 7 (addressing holding and cases when the “*plain focus of the claims is on* an improvement to computer functionality *itself*”) (quoting *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016)); *id.* at 11.<sup>2</sup> The problem is that the Federal Circuit has a *different*, broader definition for the *same* phrase in step one’s test for whether the claim is “*directed to*” an ineligible concept.

**I. “Directed to” for One Aspect of Step One of the *Mayo-Alice* Ineligibility Framework Should Have the Same Meaning as “Directed to” for Another Aspect of Step One.**

Under basic canons of interpretation, it makes no sense for “directed to” to have two different meanings within the same framework and even the same step. Step one of the framework asks whether the claim-at-issue is “*directed to a ‘patent-ineligible concept,’* such as an abstract idea.” Op. at 5 (quoting *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014)); *Mayo Collaborative Servs. v. Prometheus Laboratories, Inc.*, 132 S. Ct. 1289, 1294-98 (2012). If not, the ineligibility inquiry ends and doesn’t proceed to step two, i.e., whether the

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<sup>2</sup> All emphasis is added unless otherwise noted.

“additional elements of each claim,” considered “both individually and ‘as an ordered combination,’” transform the claim into an “inventive concept.” *Id.*

But as explained above, in *Alice*, and throughout the panel’s decision, a claim for step-one purposes will also be “**directed to**” a patent-*eligible* concept if, for example, it improves the “functioning of the computer *itself*” or the “technology *itself*.” Op. at 8, 7, 11; *Alice*, 573 U.S. at 225-26. In this regard, the law has long applied its “usual presumption” that the words or phrases used in one part of a statute, patent, or other corpus of law have the same meaning when used in another part of that same instrument or corpus. *Henson v. Santander Consumer USA Inc.*, 137 S. Ct. 1718, 1723 (2017); *Mohasco Corp. v. Silver*, 447 U.S. 807, 826 (1980).

**A. This Court Should *Unify* the Otherwise *Different* “Directed to” Definitions Within Step One of the *Mayo-Alice* Ineligibility Test.**

Acting *en banc*, this Court should thus clarify and hold that, per step one of the *Mayo-Alice* framework, a claim will be “**directed to a patent-ineligible concept**” if the “**plain focus of the claim[] is on**” such an ineligible concept “*itself*” or the claim is “**directed essentially to**” the ineligible concept “*itself*.” See, e.g., *id.*; Op. 8, 6-7, 11; *Enfish*, 822 F.3d at 1336; *Parker v. Flook*, 437 U.S. 584, 587, 595 (1978) (quoting with approval *In re Richman*, 563 F.2d 1026, 1030 (CCPA 1977)). Under its existing case law, however, this Court has repeatedly defined “directed to” in step one of this framework to mean that an ineligible concept is the “focus of the claimed advance,” e.g., *Training Techs. Int’l v. IBG LLC*, 921 F.3d 1378, 1384 (Fed. Cir.

2019); *Affinity Labs. of Texas, LLC v. DIRECTTV, LLC*, 838 F.3d 1253, 1258 (Fed. Cir. 2016)—*without* duly requiring that it is “directed *essentially* to” or the “*plain* focus of the claim[] [language]” “*itself*.”

Given these varying “directed to” definitions, the case law has continued to make the *Mayo-Alice* framework arguably more subjective and viewed as panel-dependent. Thus, clarifying here that “directed to” means that the “plain focus” of the claim is on or “directed essentially to” the ineligible concept “itself”—i.e., that “*directed to*” has the *same* meaning when used to assess if a claim is directed to a technology improvement “itself”—would foremost comply with baseline legal requirements. *See, e.g., Henson*, 137 S. Ct. at 1723.

Moreover, unifying these “directed-to” definitions in step one would make §101 consistent, more predictable, and thus more likely to reduce the ambiguity and subjectivity that the case law currently permits. *See, e.g., Mohasco*, 447 U.S. at 826 (holding that “filed” had same meaning in two statutory EEO provisions and concluding that “strict adherence” to this principle was the “*best guarantee of evenhanded administration of the law*”); *Wheeler v. Pilgrim’s Pride Corp.*, 591 F.3d 355, 363 (5th Cir. 2009) (addressing “*how the law rules best by being predictable and consistent*.” It is predictability that enables people to plan their investments and conduct, that encourages respect for law and its officials by treating citizens equally ....”).

## II. The Supreme Court's Precedents, Especially *Flook* and the Precedent Cited Therein, Strongly Favor This “Directed Essentially To ... Itself” Definition.

This definition gathers force not only from this Court's precedent and one of its rulings here, but also from the Supreme Court's precedent. *Mayo* and *Alice*, to be sure, don't specifically address the meaning of “directed to” in this §101 framework. *See, e.g., Brecht v. Abrahamson*, 507 U.S. 619, 631 (1993) (reciting longstanding principle that a point of law, merely “assumed” in an opinion, not “squarely addressed,” is not authoritative, and leaves next court “free to address the issue on the merits”). These cases thus don't inform the “directed-to” meaning.

But as the precedent that gave rise to this two-step framework, *Mayo* emphasized it was *not* overruling or yielding to “any temptation to depart from” the Court's §101 precedent. 132 S. Ct. at 1298, 1302. Rather, *Mayo* emphasized it was adhering to the “cases most directly on point”: *Parker v. Flook*, 437 U.S. 584 (1978) and *Diamond v. Diehr*, 450 U.S. 175 (1981).

*Flook*, for its part, did two key things here:

- (1) It quoted with approval the ineligibility test used by the Federal Circuit's predecessor—*viz.*, the claim must be “**directed essentially to**” an ineligible concept, such as “a method of calculating, using a mathematical formula,” or other abstract or natural law, 437 U.S. at 595 (quoting *Richman*, 563 F.2d at 1030).
- (2) Consistent with the application of that test, *Flook* held that the claim-at-issue was ineligible for §101-protection when that claim “would *in practical effect* be a patent on the [ineligible] formula ... *itself*,” as the PTO examiner in *Flook* found, *see id.* at 587.

*Flook* thus reflects the *limited* scope of the “judicially-created” or “implied” exceptions (e.g., an abstract idea) to the *broad* statutory-eligibility criteria that Congress enacted for patent protection. *See* 35 U.S.C. §101; *Diehr*, 450 U.S. at 181-82 (noting “historical purposes of the patent laws and §101 in particular” and that courts must interpret §101 mindful of Congress’s intent that “statutory [patent-eligible] subject matter includes *anything under the sun that is made by man*”); *Diamond v. Chakrabarty*, 447 U.S. 303, 308-09 (1980) (courts must interpret §101 consistent with the Founders’ vision for “liberal[ly]” encouraging “ingenuity”).

**A. *Diehr* and *Benson* Strongly Support This “Directed to” Definition.**

So too do the other precedents approved by *Mayo* strongly favor this narrower “... *itself*” interpretation for “directed to.” For example, as in *Flook, supra*, the PTO examiner in *Gottschalk v. Benson* indisputably found that the claims held ineligible there were “*in practical effect* ... on [an ineligible] algorithm *itself*.” 409 U.S. 63, 64, 72 (1972). Nearly a decade later, the Court in *Diehr* explained that its then-recent precedents on these §101 exceptions, *Flook* and *Gottschalk*, stood “for no more than these [same] long established principles”—i.e., that “[a]n *idea of itself is not patentable*.” 450 U.S. at 185.

Further, *Diehr* agreed that a “claim drawn to subject matter otherwise statutory,” i.e., eligible, does not become ineligible “simply because it uses a mathematical formula, computer program, or digital computer.” 450 U.S. at 187;

*Flook*, 437 U.S. at 590-91. Indeed, *Diehr* recognized that having even “*several [claimed] steps*” on ineligible matter wouldn’t necessarily render the claim ineligible. 450 U.S. at 185. And the claims in *Diehr* itself recited multiple steps for a rubber-curing process:

[Diehr’s claimed] process admittedly employs a well-known mathematical equation, but they do not seek to pre-empt the use of that equation. Rather, they seek only to foreclose from others the use of that equation *in conjunction with all of the other steps in their claimed process [for curing rubber]* .... Obviously, one does not need a “computer” to cure natural or synthetic rubber, but if the computer use ... significantly lessens the possibility of “overcuring” or “undercuring,” *the process as a whole does not thereby become unpatentable subject matter.* *Id.* at 187.

Accordingly, the Court repeatedly described *Diehr*’s multi-step claims as directed or “*drawn*” *not* to an ineligible concept, such as an equation, but instead to an eligible “physical and chemical process for molding” rubber products. 450 U.S. at 180, 184; *accord id.* at 192-93. Moreover, *Diehr* used “directed to,” “drawn to,” and “recited” interchangeably, indicating that a claim is drawn to an ineligible concept (e.g., an abstract idea) only if written on, essentially on, or in practical effect on that ineligible concept *itself*. *See, e.g.*, 450 U.S. at 181, 186-87.

**B. *Bilski* and *Alice* do Not Alter This “Directed to” Meaning.**

While referenced by the panel, the Court’s decisions in *Bilski v. Kappos*, 130 S. Ct. 3218 (2010) and *Alice* also do not squarely address the meaning of “directed to” in this framework. *E.g.*, Op. 5-6. Thus, neither case is binding on what “directed

to” means. *E.g.*, *Brecht*, 507 U.S. at 631. Further, the panel appears to address *Bilski* and *Alice* primarily because of the ongoing judicial guidance to compare the claims-at-issue to the case law’s ineligible “abstract ideas,” rather than to define what an “abstract idea” is in the first instance. *See Op.* at 5-6; *Alice*, 573 U.S. at 218-21 (declining to define an “abstract idea”). By comparison, the Supreme Court precedents explicitly endorsed by *Mayo*—such as *Diehr* and *Flook*, *supra*—are more instructive because they focus specifically on this ineligibility issue and the proper test. Sections II. & II.A. As explained above, these precedents and the CCPA case cited therein strongly favor a “directed to” test wherein the claims are “*directed essentially to*” or “*in practical effect ... on* [an ineligible concept] *itself*”—precisely as the Federal Circuit has applied the “directed to” test for improvements in the computer “itself.” Section I. & I.A.

### **III. The Application of This “*Directed Essentially to ... Itself*” Test for *Mayo-Alice* Step One Could Change the Case Result.**

For any one of several reasons, the issues here require *en-banc* consideration.

First, the panel didn’t apply this narrower “directed-to” test for *Mayo-Alice* step one. As explained above, it surely applied the Federal Circuit’s *broader* “directed-to” test for this step, *see* section I.A. (citing cases); *Op.* at 6—even as it expressly applied the *narrower* “directed to” test to assess the step-one exception for claimed technology improvements, *Op.* at 6-8, 11. These varying “directed-to” tests alone warrant *en-banc* consideration, for they are not only starkly inconsistent,

but also likely produce unpredictable results and render §101 law unduly subjective and panel-dependent. Section I.A.

Second, applying this narrower “directed-to” test for step one could change the outcome. The panel declared that claim 1 of the ’090 patent-in-suit met step one because it’s purportedly “directed to the abstract idea of using a computer to deliver targeted advertising to a user.” Op. 6. Notably, the decision did so without expressly analyzing this step-one issue at all. *Id.* It didn’t consider, for example, any analysis of the claim or other record evidence (intrinsic or extrinsic) showing how or why it reached this step-one “abstract” conclusion.

Further, under this narrower “directed-to” test, the claim language doesn’t appear plainly focused on or *directed essentially to* “targeted advertising to a user” *itself*. See, e.g., *Flook*; *Richmond*; *Diehr*, *supra*. Indeed, rather than an “abstract” idea, claim 1 recites a “system” with three *tangible hardware components and software*, including a “*remote account transaction server*”; a “*programmable local receiver unit*”; and a “*data storage section*” “*adapted specifically*” or configured to “reserve” or dedicate space for advertising data. *E.g.*, Op. at 3-4 (’090 patent, claim 1). Under Supreme Court and this Court’s precedent, such multiple tangible components or steps in a claim may safeguard it, appropriately enough, from an “abstract” attack under *Mayo-Alice*. See, e.g., *Aatrix Software, Inc. v. Green Shades Software, Inc.*, 882 F.3d 1121, 1125 (Fed. Cir. 2018) (reversing §101-ineligibility

determination on Rule 12 motion for claim reciting a “*data processing system*,” “computer operating software,” “means for viewing and changing data,” and “means for viewing forms and reports”; “*This is very much a tangible system*” and “[t]he district court erred in holding claim 1 ineligible because it was directed to ineligible matter”). Thus, the panel’s conclusion on step one may change because, as in *Diehr* and *Aatrix*, the claim doesn’t appear directed essentially to an “abstract idea” or on “targeted advertising to a user” *itself*. Compare, for example, the eligible multi-step or tangible claims in *Diehr* and *Aatrix*, as opposed to the ineligible claims that were essentially on the *formula “itself”* in *Flook* and *Benson*.

Third, viewed through this narrower “directed-to” lens, the ’090 intrinsic evidence reflects that having certain advertising data stored in this specially-configured “*data storage section*” provides for a faster, more-efficient, and more-reliable system than the prior-art systems that lacked such specially-dedicated storage. *See, e.g.*, A811-12; A437, col. 30:57-67; A1011-13. Per the file history, the PTO examiner agreed, emphasizing that a system reserving storage space in this way would “improve the functioning of the ... computer itself” and permit the claims’ allowance. A9255. The potential bottom line is that, with this narrowed “directed-to” standard and record, the claim is *not* directed essentially to an abstract idea *itself*. The panel and precedent agree, moreover, that having a computer system with improved data-transfer speeds, efficiency, and reliability is §101-eligible. Op. 7-8

(summarizing precedents); *Aatrix*, 882 F.3d at 1127. Whether it ultimately does or not, however, this Court or the PTAB on remand should make that judgment under the proper “directed to” definition for *Mayo-Alice* step one.

### CONCLUSION

For the foregoing reasons, Amicus Curiae, Circuit Judge Michel (Ret.), respectfully requests this Court grant rehearing *en-banc* and address these inconsistent “directed to” definitions within the same *Mayo-Alice* framework.

Respectfully submitted,

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**CERTIFICATE OF COMPLIANCE**

I hereby certify that, using the Word program's word-count feature, the above Motion contains 2591 words, in compliance with Federal Rule of Appellate Procedure 27(d)(2).).

/s/ John T. Battaglia

**CERTIFICATE OF SERVICE**

I hereby certify that, on May 18, 2020, an electronic copy of the foregoing document was filed with the Clerk of Court for the U.S. Court of Appeals for the Federal Circuit, using the CM/ECF system, which thereby served a copy upon all counsel of record.

May 18, 2020

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