Appeal Nos. 2016-1188, -1190, -1191, -1192, -1194, -1195, -1197, -1198, -1199

United States Court of Appeals for The Federal Circuit

EVOLUTIONARY INTELLIGENCE LLC,

Plaintiff-Appellant,

v.

SPRINT NEXTEL CORPORATION, SPRINT COMMUNICATIONS COMPANY, L.P., SPRINT SPECTRUM L.P., SPRINT SOLUTIONS, INC., APPLE INC., FACEBOOK INC., FOURSQUARE LABS, INC., GROUPON, INC., LIVINGSOCIAL, INC., MILLENNIAL MEDIA, INC., TWITTER, INC., YELP, INC.,

Defendants-Appellees.

Appeals from the United States District Court for the Northern District of California, Senior Judge Ronald M. Whyte

Case Nos. 13-04513, 13-04201, 13-04202, 13-04203, 13-04204, 13-04205, 13-04206, 13-04207, 13-03587

CORRECTED BRIEF OF IPLODGE BVBA, AS AMICUS CURIAE IN SUPPORT OF APPELLANT'S PETITION FOR REHEARING AND REHEARING EN BANC

May 5, 2017

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CERTIFICATE OF INTEREST

Counsel for amicus IPLodge bvba certifies the following:

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

   IPLodge bvba

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:

   IPLodge bvba

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 curiae now represented by me in the trial court or the Federal Circuit are:

   Evan Law Group, LLC

   Paul E. Rauch, Ph.D.

   Christopher T. Sorce

Respectfully Submitted,

Dated: May 5, 2017

/s/ Paul E. Rauch, Ph.D.
Paul E. Rauch, Ph.D.

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INTEREST OF THE *AMICUS CURIAE*[1]

IPLodge bvba (IPLodge) is a Belgian law firm with a practice focused on intellectual property law. IPLodge provides a range of legal services, including patent filing and prosecution, patent searching, patent oppositions and opposition-appeals before the European Patent Office (EPO), trademark and design prosecution and intellectual property transactional services. The patent attorneys of IPLodge are qualified to represent applicants before the EPO, the United Kingdom Intellectual Property Office (UKIPO), the German Patent Office (DPMA) and the national patent offices of the Benelux countries (Belgium, the Netherlands and Luxembourg). IPLodge represents a diverse group of clients, and assists them in protecting their intellectual property around the world through the use of trusted foreign agents. As relevant here, IPLodge has a particular interest in ensuring that questions regarding patentable subject matter are resolved in accordance with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) in all signatory jurisdictions in a manner that is efficient, fair and consistent.

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[1] Pursuant to Fed. R. App. P. 29, *amicus* affirms that no counsel for a party authored this brief in whole or in part and that no person other than the *amicus*, its members, and its counsel made a monetary contribution to its preparation or submission.

Appellant Evolutionary Intelligence consented to the filing of this brief. Appellees indicated that they would not oppose the filing of this brief, but their decision not to oppose does not represent agreement that the matters raised in this brief are properly presented in a petition for rehearing.

INTRODUCTION AND SUMMARY OF ARGUMENT

This case concerns the analysis that courts should apply when determining whether a claimed invention is directed to patentable subject matter under 35 U.S.C. §101 using the test set forth in *Alice Corp. Pty. Ltd. v. CLS Bank International*, 134 S. Ct. 2347 (2014). In particular, it concerns the standards for subject matter eligibility at the pleadings stage.

This Court is invited to consider the consistency of the panel majority's ruling with the TRIPS Agreement, which envisages an expansive interpretation of patentable subject matter. Questions of subject matter eligibility cannot be adequately determined until the claims have been construed in a *Markman* hearing and the prior art has been considered. Therefore, 35 U.S.C. §101 should be minimally restrictive at the pleadings stage. Application of the "anything added approach" used by the EPO would avoid violations of due process and the destruction of property rights. By granting rehearing *en banc*, the Court would have the opportunity to confirm that subject matter eligibility should be expansive at the pleadings stage.

ARGUMENT

I. U.S. patent laws must be applied consistently with the TRIPS Agreement

The TRIPS agreement was negotiated in the Uruguay Round of the General Agreement on Tariffs and Trade in 1994 and approved by the U.S. in the Uruguay Round Agreements Act on December 8, 1994. 19 U.S.C. §22. The TRIPS agreement states that "patents shall be available for any inventions, whether products or processes, in all fields of technology, provided that they are new, involve an inventive step and are capable of industrial application". TRIPS Art. 27.1. The TRIPS Agreement allows for signatories to exclude from patentability inventions that are contrary to *ordre public* or morality, diagnostic, therapeutic and surgical methods for the treatment of humans or animals and plants, animals (other than micro-organisms) and essentially biological processes for the production of plants or animals (other than non-biological and microbiological processes). TRIPS Art. 27.2 and 27.3. Notably, the TRIPS Agreement contains no exception to patentability for software, inventions implemented in software or abstract ideas.

Signatories of the TRIPS Agreement cannot exclude from patentability classes of inventions unless there is a specific exclusion allowed under the TRIPS Agreement. Accordingly, the TRIPS Agreement supports broad subject matter eligibility. The application of 35 U.S.C. §101 must be consistent with this expansive interpretation of patentable subject matter.

II. The European Patent Convention (EPC) and the EPO provide a useful example of how to approach subject matter eligibility taking into account the TRIPS Agreement

The EPC and the practice of the EPO, including its Appeal Boards and Enlarged Board of Appeal, can be useful as a comparative example of how the TRIPS Agreement can be taken into account in industrialized countries. The TRIPS Agreement aims at setting common standards and principles concerning the availability, scope and use of trade-related intellectual property rights. The EPO is not a party to the TRIPS Agreement and is not bound by it. However, the relevant provisions of the TRIPS Agreement have been implemented in the EPO through the EPC since nearly all of the contracting states of the EPC are bound by it. Accordingly, it is legitimate for the EPO and its appellate bodies to rely on the TRIPS Agreement as a means to interpret provisions of the EPC when necessary.

The EPC and the EPO are useful as comparative examples because one of the official languages of the EPC is English and all important decisions of the EPO Appeal Boards and Enlarged Board of Appeal are written in English or translated into English. In addition, the 38 member states of the EPC represent a wide range of races, creeds, languages and cultures and are at least as diverse as the states and territories subject to U.S. patent law.

The EPO, including its Appeal Boards and Enlarged Board of Appeal, is a particularly good example because it is an independent administrative body. The EPO, Appeal Boards and Enlarged Board of Appeal are not dependent upon any

national court or legal or political system and hence have limited or no influence from national opinions and practices. The EPO is not a member of the European Union and is not a European Union organization. Furthermore, many of the EPC member states have maintained national patent offices after joining the EPO, which has resulted in the EPO being in constant competition with national offices. The national patent offices are free to provide criticism and analysis of the decisions of the EPO, Appeal Board and Enlarged Boards of Appeal.

Thus, this Court may confidently look to the experiences of the EPC and the EPO when attempting to interpret U.S. laws consistently with the TRIPS Agreement, particularly difficult questions such as subject matter eligibility.

A. The EPO and the U.S. both have a broad definition of what is patentable

The EPO and the U.S. both include an expansive statement of what is patentable. In the EPO, "European patents shall be granted for any inventions, in all fields of technology, provided that they are new, involve an inventive step and are susceptible of industrial application." EPO Art. 52.1. Similarly, in the U.S. "Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title." 35 U.S.C. §101. Thus, Europe and the U.S. both contemplate an expansive definition of patent-eligible subject matter.

B. Unlike the U.S., the EPO provides specific examples of subject matter that is excluded from patentability

The EPO specifically excludes certain subject matter from patent protection. These exclusions are achieved through the definition of "inventions" and by explicit prohibition. The EPO does not consider (a) discoveries, scientific theories and mathematical methods; (b) aesthetic creations; (c) schemes, rules and methods for performing mental acts, playing games or doing business, and programs for computers; or (d) presentations of information to be regarded as inventions. EPO Art. 52.2. In addition, the EPO excludes from patenting

> (a) inventions the commercial exploitation of which would be contrary to "ordre public" or morality,
>
> (b) plant or animal varieties or essentially biological processes for the production of plants or animals, and
>
> (c) methods for treatment of the human or animal body by surgery or therapy and diagnostic methods practised on the human or animal body.

EPO Art. 53. By contrast, the U.S. excludes "judicial exceptions" from patentability and relies on case law to establish what types of inventions are patentable. Both systems have led to difficulties in determining the eligibility of inventions. An analysis of the European experience provides a useful guide for analyzing subject matter eligibility in a way that takes into account the TRIPS Agreement.

III. The EPO has tried multiple subject matter eligibility tests and has settled on an expansive view of subject matter eligibility

Europe has attempted to solve the same subject matter eligibility questions that the U.S. legal system is currently struggling with and has arrived at a system with a broad view of subject matter eligibility. Since the EPC entered into force in 1978, the Appeal Boards of the EPO have considered a variety of schemes for distinguishing inventions from non-eligible subject matter:

- The "contamination approach". If one claim feature lies in an excluded region, then the whole claim is invalid.
- The "technical character approach". If a claim has "technical character" it is not invalid.
- The "contribution approach". If the novelty or inventiveness lies in an excluded region the claim is invalid.
- The "anything added approach" or "any hardware approach". If a claim contains any feature that is not excluded, the claim is valid.

A detailed discussion of these various approaches may be found in "Experts' Study on Exclusions from Patentable Subject Matter and Exceptions and Limitations to the Rights", prepared by the Standing Committee on the Law of Patents at the Fifteenth Session in Geneva, October 11 to 15, 2010.

The "contamination approach" is only applied to claims including steps carried out on a human or animal body and thus is not applicable to the vast majority

of inventions. The "technical character approach" failed because there was no consensus as to what the term "technical character" meant. The "contribution approach" held sway for many years, but was ultimately discarded as flawed. EPO Technical Board of Appeals Case Number T 931/95 – 3.5.1, Official Journal 2001, page 441. These issues were finally discussed and decided by the Enlarged Board of Appeal, the highest appellate body of the EPO, in the opinion G 3/08. The outcome of G 3/08 has been that the prevailing approach should be the "anything added approach". The Enlarged Board provided the following example:

> Suppose a patent application claims a cup carrying a certain picture (e.g. a company logo). We assume that no effect beyond information, "brand awareness" or aesthetic pleasure is ascribed to the picture. According to the "contribution approach", cups are known, so that the "contribution to the art" is only in a field excluded from patentability by Article 52(2) EPC and the application may be refused under this provision, i.e. the European patent application is considered to relate to (cf. Article 52(3) EPC) an aesthetic creation, a presentation of information or possibly even a method for doing business "as such".
>
> According to the approach laid down by [the previous Appeal Board decision,] T 1173/97, for the purposes of Article 52(2)

> EPC the claimed subject matter has to be considered without regard to the prior art. According to this view a claim to a cup is clearly not excluded from patentability by Article 52(2) EPC. Whether or not the claim also includes the feature that the cup has a certain picture on it is irrelevant. (EPO Enlarged Board of Appeals Case Number G 003/08, Official Journal 2011, page 10)

Thus, under European practice, the inclusion in a claim of anything that has technical character (like a "cup") is sufficient to qualify the subject matter of the claim as an invention independent of the nature of those features also present in the claim. The contribution over the prior art is a matter reserved for examination under evidence based anticipation and obviousness. Accordingly, subject matter eligibility is viewed broadly in the EPO.

IV. Public policy supports a consistent, broad test for subject matter eligibility

An expansive view of subject matter eligibility, such as that used in the "anything added approach", is consistent with public policy. A minimally-restrictive filter for subject matter eligibility ensures that a determination of which inventions are patentable will not change over time. This provides a high level of predictability and consistency for patent applicants and patent owners. A lower barrier to patentability is particularly appropriate at an early stage of litigation, such as on the pleadings, since it

does not require any analysis of the prior art. Any test for subject matter eligibility that considers the invention in light of prior art would necessarily depend on the state of the art at the time of filing, which will be ever changing, as well as carefully construing the meaning and scope of the claims. Such issues should only be considered after a *Markman* hearing and an opportunity to construe the prior art. In addition, it is important that questions of subject matter eligibility not be confused with the distinct questions of utility, novelty and non-obviousness. All of these public policy goals may be achieved with an expansive definition of what constitutes patentable subject matter at the pleadings stage.

CONCLUSION

The Court is respectfully invited to grant Appellant's petition for rehearing *en banc* to have the opportunity to confirm that subject matter eligibility should be expansive at the pleadings stage, and may look to the experience in Europe as an example of how to comply with the TRIPS Agreement.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I certify that today, May 5, 2017, I electronically filed the foregoing CORRECTED BRIEF OF IPLODGE BVBA, AS AMICUS CURIAE IN SUPPORT OF APPELLANT'S PETITION FOR REHEARING AND REHEARING EN BANC with the Clerk of the Court for the U.S. Court of Appeals for the Federal Circuit using the appellate CM/ECF system. Counsel of record for all parties will be served by the appellate CM/ECF system.

Dated: May 5, 2017

By: /s/ Paul E. Rauch, Ph.D.
Paul E. Rauch, Ph.D.

CERTIFICATE OF COMPLIANCE

1. This brief complies with the type-volume limitation of Federal Circuit Rules 32(a) or 28.1. This brief contains 2258 words, excluding the parts of the brief exempted by the Federal Rules of Appellate Procedure 32(f).

2. This brief complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) or Federal Circuit Rule 28.1 and the type style requirements of Federal Rule of Appellate Procedure 32(a)(6). This brief has been prepared in proportionally spaced typeface using Word Version 2016, in size 14 font and in Garamond style.

By: /s/ Paul E. Rauch, Ph.D.
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