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* PROOVE BIOSCIENCES, INC. IN SUPPORT OF NEITHER PARTY

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INTEREST OF *AMICUS CURIAE* PROOVE BIOSCIENCES[1]

Proove Biosciences[2] is one of the world's leading providers of personalized medicine and medical research services. From its laboratory facilities in Southern California, the company provides physicians and the medical community with information to improve the selection, dosing, and evaluation of medications and also offers proprietary laboratory testing.

Proove Biosciences has a patent portfolio of pending patent applications that involve computer-related implementations of genetic testing. These aspects of the patent portfolio are related to the patent eligibility issues under 35 U.S.C. § 101 which are being considered in this case.

Outside of any potential impact on its patent portfolio, Proove Biosciences has no stake in the outcome of this case, other than its desire for a correct and clear interpretation and application of the United States Patent Laws.

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[1] No counsel for a party authored this brief in whole or in part, and no party or counsel for a party made a monetary contribution intended to fund the preparation or submission of this brief. No one other than Proove Biosciences made a monetary contribution to the preparation or submission of this brief. Both parties have granted blanket consent to the filing of amicus briefs.

[2] "Proove Biosciences" refers to Proove Biosciences, Inc., a corporation incorporated in the state of Delaware and owner of several U.S. patent applications.

SUMMARY OF THE ARGUMENT

The Court should endorse the analytical framework laid out in Chief Judge Rader's opinion in *CLS Bank Int'l v. Alice Corp. Pty. Ltd.*, 717 F.3d 1269 (Fed. Cir. 2013) (en banc). The framework includes a "claim as a whole" test, consistent with *Diamond v. Diehr*, 450 U.S. 175 (1981), that represents an incremental clarification of this Court's foundational precedents for evaluating computer inventions under 35 U.S.C. § 101. An incremental change is favored as the Court has warned that "courts must be cautious before adopting changes that disrupt the settled expectations of the inventing community." *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 739 (2002) (citing *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 28 (1997)).

Chief Judge Rader's analytical framework embraces the machine-or-transformation test the Court endorsed in *Bilski v. Kappos*, 130 S. Ct. 3218 (2010), for evaluating patent eligibility of computer inventions under 35 U.S.C. § 101. Also, the "claim as a whole" test represents a level of consensus with Judge Lourie's opinion in *CLS Bank en banc.* Furthermore Chief Judge Rader's analytical framework is fully consistent with the text of 35 U.S.C. § 101 and the Court's other opinions on this issue including (but not limited to) *Gottschalk v. Benson*, 409 U.S. 63 (1972); *Parker v. Flook*, 437 U.S. 584 (1978); and *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289 (2012). It is also significantly aligned with the previously established test from *State Street Bank and Trust*

Company v. Signature Financial Group, Inc., 149 F.3d 1368 (Fed. Cir. 1998).

ARGUMENT

I. The Court should endorse the analytical framework laid out in Chief Judge Rader's opinion in *CLS Bank en banc*, including a "claim as a whole" test, consistent with *Diehr,* as a supplement to the machine-or-transformation test the Court has endorsed in *Bilski v Kappos*.

The Federal Circuit has visited the question before this Court – whether claims to computer-implemented inventions are directed to patent-eligible subject matter within the meaning of 35 U.S.C. § 101 as interpreted by this Court – several times in recent years.

In 1998, in *State Street Bank*, a panel of the court enunciated the principle that claims to a computer invention in a business method involving an algorithm as an abstract idea were patent-eligible if the claimed invention involved a "practical application" and produced "a useful, concrete and tangible result." *State Street Bank,* 149 F.3d at 1373. The test in *State Street Bank* was well accepted in the courts below for several years for determining patent-eligible subject matter in computer inventions involving abstract concepts, algorithms and business methods.

However, in *In re Bilski* 545 F.3d 943 (Fed. Cir. 2008) (en banc), the court effectively replaced the test from *State Street Bank* with a new test for patent eligibility for computer inventions under 35 U.S.C. § 101. Known as the machine-or-

transformation test, the court in *In re Bilski* pronounced "A claimed process is surely patent-eligible under § 101 if: (1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing." *In re Bilski*, 545 F.3d at 954, citing *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972).[3] The Federal Circuit also pronounced that the machine-or-transformation test was the sole test available for determining patent eligibility of computer-implemented inventions under 35 U.S.C. § 101. *In re Bilski*, 545 F.3d at 956. Thus, in effect, the "practical application" producing a useful-concrete-tangible result test from *State Street Bank* was discarded.

In re Bilski was appealed and heard by the Court in *Bilski v. Kappos*. Justice Kennedy delivered the Court's opinion endorsing the machine-or-transformation test as informative, but dismissing its exclusive use for determining patent eligibility of computer inventions under 35 U.S.C. § 101. Slip Op. at p. 8. ("The machine-or-transformation test is not the sole test for patent eligibility under §101. The Court's precedents establish that although that test may be a useful and important clue or investigative tool, it is not the sole test for deciding whether an invention is a patent-eligible "process" under §101.").

Justice Kennedy emphasized that the Court's opinion in *Bilski v. Kappos* did not also endorse

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[3] But see "It is argued that a process patent must either be tied to a particular machine or apparatus or must operate to change articles or materials to a "different state or thing." We do not hold that no process patent could ever qualify if it did not meet the requirements of our prior precedents." 409 U.S. 63, 71.

other interpretations of §101 that the Federal Circuit had used in the past, including the test in *State Street Bank*. However, Justice Kennedy did urge "the Federal Circuit's development of other limiting criteria that further the purposes of the Patent Act and are not inconsistent with its text", and yet are consistent with the Court's prior opinions, including *Benson*, *Flook,* and *Diehr*. Slip Op. at p. 16.

The Federal Circuit reheard *CLS Bank en banc* hoping to develop a more comprehensive standard than the machine-or-transformation test for evaluating computer inventions under 35 U.S.C. § 101. But instead of clarifying the criteria for determining patent eligibility, the en banc court produced a one-paragraph *per curiam* opinion, five concurring and dissenting opinions, and "additional reflections" by Chief Judge Rader. Pet. App. 1a-131a.

Three of the judges in *CLS Bank en banc* wrote opinions proposing different analytical frameworks for determining patent eligibility. Judge Lourie and Judge Linn both delivered opinions that proposed analyses that appear to go well beyond any test which has been adopted previously at the Federal Circuit. However, Chief Judge Rader delivered an opinion[4] proposing an analytical framework that is consistent with the text of 35 U.S.C. § 101, embraces the machine-or-transformation test endorsed in *Bilski v. Kappos* and is well-supported by the Court's other opinions on this issue. Furthermore, the analytical framework in

[4] Judges Linn and O'Malley joined in the Chief Judge Rader's opinion, and Judge Moore joined in-part.

Chief Judge Rader's opinion is significantly aligned with the "practical application" aspect of the test from *State Street Bank*.

The analytical framework proposed in Chief Judge Rader's opinion is based on the observation that the "abstract idea" exception to patent-eligibility under 35 U.S.C. § 101, which the Court has identified, focuses on whether "the asserted claim *as a whole*" covers "merely an abstract idea." Pet. App. 53a-54a. Reviewing the claim "*as a whole*" is essential, because "[a]ny claim can be stripped down, simplified, generalized, or paraphrased to remove all of its concrete limitations, until at its core, something that could be characterized as an abstract idea is revealed." Id. at 54a. Citing *Diehr*, 450 U.S. at 188 (emphasis added).

Chief Judge Rader explained that in determining whether a claim, as a whole, covers merely an abstract idea, the relevant inquiry is whether the claim "includes meaningful limitations restricting it to an application." Pet. App. at 57a. Citing *Prometheus*, 132 S. Ct. at 1297 ("[D]o the patent claims add *enough* to their statements of the correlations to allow the processes they describe to qualify as patent-eligible processes that *apply* natural laws?" (emphasis in original)) A claim that pre-empts or "covers all practical applications of an abstract idea," or that "contains only insignificant or token pre- or post-solution activity" "is not meaningfully limited." Pet. App. at 58a-60a. Citing *Prometheus*, 132 S. Ct. at 1297-98; *Bilski*, 130 S. Ct. at 3230-31; *Diehr*, 450 U.S. at 191-92 & n.14; and *Parker v. Flook*, 437 U.S. 584, 595 n.18. ("Pre-

emption is only a subject matter eligibility problem when a claim preempts all practical uses of an abstract idea. For example, the claims in *Benson* "purported to cover any use of the claimed method in a general-purpose digital computer of any type." Citing *Benson* 409 U.S. at 64. The claims were not allowed precisely because they pre-empted essentially all uses of the idea.")

Chief Judge Rader further clarified the analysis regarding computer-implemented inventions in that, as applied to a computer-implemented claim, the meaningful-limitation inquiry asks "whether the claims tie the otherwise abstract idea to a specific way of doing something with a computer, or a specific computer for doing something; if so, they likely will be patent eligible, unlike claims directed to nothing more than the idea of doing something on a computer." Pet. App. at 62a. Citing *Bilski*, 130 S. Ct. at 3227; *Prometheus*, 132 S. Ct. at 1302-03; *Diehr*, 450 U.S. at 184, 192. ("[T]he respondents here do not seek to patent a mathematical formula. Instead, they seek patent protection for a process of curing synthetic rubber. Their 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."); *see also Prometheus*, 132 S. Ct. at 1298-99 and *Diehr*, 450 U.S. at 187, ("a claim does not become non-statutory simply because it uses a mathematical formula, computer program, or digital computer" because "an application of a law of nature

or mathematical formula to a known structure or process may well be deserving of patent protection.").

The analytical framework in Chief Judge Rader's opinion in *CLS Bank en banc* thus represents an incremental clarification of the law for evaluating computer inventions under 35 U.S.C. § 101. The framework embraces the machine-or-transformation test the Court endorsed in *Bilski* for evaluating patent eligibility of computer inventions under 35 U.S.C. § 101. Furthermore, the test is fully consistent with the text of 35 U.S.C. § 101 and the Court's other opinions on this issue, including *Benson*, *Flook, Diehr,* and *Prometheus*. To help resolve the uncertainty that has developed at the Federal Circuit, *amicus curiae* Proove Biosciences respectfully urges the Court to endorse the analytical framework of Chief Judge Rader's opinion in *CLS Bank en banc*.

II. The Court's endorsement of a "claim as a whole" test, consistent with *Diehr*, would achieve a level of consensus between Judge Lourie's opinion and Chief Judge Rader's in *CLS Bank en banc*.

Despite the plurality of opinions, Judges Lourie, Dyk, Prost, Reyna and Wallach, in the concurring opinion delivered by Judge Lourie, paid great deference to the *Diehr* opinion, reciting the case as a "Foundational Section 101 Precedent", and to the holding in *Dier* that a claim be drawn to a specific application to satisfy 35 U.S.C. § 101. *CLS Bank*, 717 F.3d at 1279 ("[A]n application of a law of

nature or mathematical formula to a known structure or process may well be deserving of patent protection.") Citing *Diehr*, 450 U.S. at 187. ("Because the applicant claimed a specific application, rather than an abstract idea in isolation, the claims satisfied § 101.") *CLS Bank*, 717 F.3d at 1279. ("[A] patent-eligible claim must include one or more substantive limitations that, in the words of the Supreme Court, add "significantly more" to the basic principle, with the result that the claim covers significantly *less*." *CLS Bank*, 717 F.3d at 1281. (emphasis in the original)

Judges Lourie also emphasized, as part of his analytical framework, that "the claim can be evaluated to determine whether it contains additional substantive limitations that narrow, confine, or otherwise tie down the claim so that, in practical terms, it does not cover the full abstract idea itself." Citing *Mayo*, 132 S.Ct. at 1300. *CLS Bank*, 717 F.3d at 1282. (discussing a patent-eligible process claim that involved a law of nature but included additional steps "that confined the claims to a particular, useful application of the principle"). *Id.* at 1282. Thus, the Court's endorsement of a "claim as a whole" test, consistent with *Diehr*, would achieve a level of consensus between Judge Lourie's opinion and Chief Judge Rader's in *CLS Bank en banc*.

CONCLUSION

The Court should endorse the analytical framework for determining patent eligibility in Chief Judge Rader's opinion in *CLS Bank en banc*, including the "claim as a whole" test, to resolve the conflict at the Federal Circuit over the patent eligibility of computer-related inventions under 35 U.S.C. § 101.

Respectfully Submitted,

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