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IP Frontiers: Will Supreme Court intervene with runaway expansion of §101 by federal circuit?

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There is some concern in the patent-sphere about the CAFC conflating §101 (patentable subject matter) with §112 (issues with claim wording and/or support of claims in specification) and other considerations. There is no better example of this than the recently modified (twice) opinion of July 31, 2020 for American Axle & Manufacturing, Inc. v. Neapco Holdings, LLC et al. (AAM).

Indeed, perhaps the opening (second paragraph) of the opinion is a foreshadowing of sorts: "Because we conclude that claims 1, 5 and 15 of CGI's U.S. Patent No. 7,224,274 ('275 patent) are directed to an abstract idea and therefore patent-ineligible[.]" Perhaps a misstatement, but definitely not the standard. In AAM, the invention was directed to a method for manufacturing a shaft assembly of a driveline system, so clearly based in mechanical engineering. The first claim addressed included a step of tuning a mass and stiffness of a liner. The tuning was qualified in that it was said to be a tuned resistive absorber for attenuating shell vibrations, the liner also being a tuned reactive absorber for attenuating bending mode vibrations. The Court went through the first step of the Alice §101 test; namely, whether the claim is directed to a law of nature, natural phenomenon or abstract idea. In this case, which was somewhat of a surprise, the Court found the claim included the application of a law of nature (Hooke's law — the strain of an elastic solid (e.g., a spring) is proportional to the stress responsible for the strain). The Court determined that the claim was ineligible under §101, because it simply required the application of Hooke's law to tune a propshaft liner to dampen the two types of vibrations.

As it happens, AAM characterized tuning to dampen two types of vibrations for the same liner, such dampening for two types of vibrations previously not being done together and one not at all. The Court characterized the claim as setting out a goal of tuning a liner to achieve attenuation of certain types of vibration. Further, the Court reasoned, as only a goal is presented, it purports to cover any possible way of achieving the goal. At the District Court, there was evidence that tuning a liner directly implicates Hooke's law. AAM argued the claim was not simply directed to a goal, as tuning a liner is complicated and may involve extensive computer modeling and trial and error. Thus, AAM argued, the claim recites an improved tuning method. However, the Court pointed out that there is nothing in the claim regarding the "how"; no computer modeling or any other specifics as to how to accomplish the tuning.

This is the point where §112 type considerations seem to arise. Enablement of a claim is a §112 inquiry; that is, in relevant part, whether the application provides a sufficient disclosure for one of ordinary skill in the relevant art to make and use the invention. Enablement is not part of the §101 inquiry. The §101 inquiry boils down to whether there is patentable subject matter in the claim. Of course, the finding of the implied presence of Hooke's law in the claim does muddy the waters. In essence, the Court viewed the claim as reciting tuning the liner using Hooke's law. The only other qualifications in the claim, the Court argued, are that the liner is both a tuned resistive absorber and a tuned reactive absorber, with the remainder of the claim reciting conventional pre- and post-solution activity. However, it is true that there is nothing in the claim as to how to tune a liner to have those two characteristics. The question should be whether this "how" needs to be present for a proper §101/Alice inquiry. In part, the Court majority argued that "… claim 22 here does not specify how target frequencies are determined or how, using that information, liners are tuned to attenuate two different vibration modes simultaneously, or how such liners are tuned to dampen bending mode vibrations" or how the liners are tuned to dampen shell mode vibrations. The question is, according to the CAFC, whether the §101 inquiry finds present the "how" in the claim or not.

The dissent actually raises the issue of conflating subject matter eligibility with enablement and much more. However, the majority counters that there are two different "how" requirements. For §101, the "how" must be in the claim, while the "how" for §112 enablement is in the specification. That is, whether the specification provides enough information to enable one of ordinary skill in the art to make and use the claimed invention. The dissent also noted that for the aspect of the liner being a tuned resistive absorber, the relevant natural law is friction damping, not Hooke's law. While the majority did not argue that point, they merely argued the outcome is the same.

Judge Moore's dissent is the real story here; warning of undue §101 expansion and pointing out record evidence that using a liner to attenuate bending mode vibrations is itself new and that the prior art did not even use a hollow tube liner. Instead, the prior art shoved wads of cardboard in the space where the claimed liner is used. Yet, such issues were not addressed by the majority.

A related issue that seems to be given short shrift these past months is the CAFC's recent penchant for revising their rulings, as it did in both American Axle and in The Chamberlain Group, Inc. v. Techtronic Industries Co. et al. (Fed. Cir. 2019) (hereinafter, "Chamberlain"). The revised rulings appear to be backtracking somewhat primarily due to the strong dissents.

It is submitted that American Axle and Chamberlain mark a Federal Circuit expansion of §101, which is supposed to operate as a gatekeeper. Will patentees with mechanical inventions, long held patentable generally, now be subject to §101 arguments of ineligibility based on unclaimed natural laws that all inventions at some level of abstraction operate under (e.g., physics, gravity)?

In May 2020, The Chamberlain Group petitioned the U.S. Supreme Court, asking whether the CAFC failed to properly consider the claim(s) as a whole. Amici briefs were filed on both sides, including a joint brief between ChargePoint, Inc., having then recently lost a similar appeal to the Supreme Court, and former Chief Judge Randall Rader. Stay tuned for the outcome.

In summary, it does appear the CAFC is going down a questionable road with §101. However, it may still be the case (glass half full) that the Supreme Court will intervene, possibly in American Axle, which does appear to be a good candidate for correcting the CAFC path or, sadly, cementing the CAFC decisions and path in these cases.

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