

No. 2016-1499

In the
United States Court of Appeals
for the Federal Circuit

RECOGNICORP, LLC,

Plaintiff-Appellant,

v.

NINTENDO CO., LTD.; NINTENDO OF AMERICA, INC.,

Defendants-Appellees.

Appeal from the United States District Court
for the Western District of Washington, Case No. 2:12-cv-01873-RAJ.
The Honorable **Richard A. Jones**, Judge Presiding.

**BRIEF OF *AMICUS CURIAE* PAUL GILBERT COLE IN SUPPORT OF
APPELLANT'S PETITION FOR REHEARING EN BANC**

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CERTIFICATE OF INTEREST

Pursuant to Federal Circuit Rules 28(a)(1) and 47.4(a), counsel for the *Amicus Curiae*, Paul Gilbert Cole, certifies the following:

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

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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 is:

None.

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* now represented by me in the trial court or agency or in a prior proceeding in this case or are expected to appear in this Court are:

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INTEREST OF *AMICUS CURIAE*¹

Paul Gilbert Cole is a practicing UK and European patent attorney, is a council member of the Chartered Institute of Patent Attorneys (CIPA), is a visiting professor in IP Law at Bournemouth University in the UK, and has been writing about and teaching patent law for some 40 years. He is concerned with the integrity of the legal system and the correctness of the consequential guidance that is given to patent examiners in the United States Patent and Trademark Office (USPTO). It is his professional opinion that this court should grant rehearing en banc because the panel decision's application of 35 U.S.C. § 101 exceeds the scope of the Supreme Court's § 101 jurisprudence and the scope of Article 27 of the TRIPS agreement², with consequential harm to future U.S. patent applicants and to harmonious development of the patent system internationally. He submitted an *amicus* brief in *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371 (Fed. Cir. 2015), *cert. denied*, 136 S. Ct. 2511 (2016)³, and was lead author of briefs

¹ No party's counsel authored this brief in whole or part; no party or party's counsel contributed money intended to fund preparing or submitting the brief; and no person other than *amicus* or counsel for *amicus* contributed money intended to fund preparing or submitting the brief. Fed. R. App. P. 29(c)(5).

² Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), *see generally* Uruguay Round Agreements Act, Pub.L. No. 103-465, 108 Stat. 4809 (1994).

³ Brief of *Amicus Curiae* Paul Gilbert Cole in Support of the Appellants' Petition for Rehearing En Banc.

submitted to the Supreme Court in that case by CIPA⁴ and the Institute of Professional Representatives before the European Patent Office⁵. He authored this brief in its entirety, is authorized to file this brief by his firm, Lucas & Co., Warlingham, UK, and has no stake in the parties or in the outcome of this case.⁶

OPENING STATEMENT

The decision in this case is contrary to cases concerning claim interpretation both generally and in the context of § 101. For claim interpretation generally, it is contrary to *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1548 (Fed. Cir. 1983), *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631 (Fed. Cir. 1987), *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236 (Fed. Cir. 1989), *In re Bond*, 910 F.2d 831 (Fed. Cir. 1990), *Advanced Display Sys., Inc. v. Kent State Univ.*, 212 F.3d 1272, 1282 (Fed. Cir. 2000), and *TIP Sys., LLC v. Phillips & Brooks/Gladwin, Inc.*, 529 F.3d 1364 (Fed. Cir. 2008). In the context of § 101 it is contrary to *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016) and

⁴ Brief of *Amicus Curiae* The Chartered Institute of Patent Attorneys in Support of the Petitioner, <http://www.scotusblog.com/wp-content/uploads/2016/04/15-1182.amicus.final_.pdf>

⁵ Brief of *Amicus Curiae* the Institute of Professional Representatives before the European Patent Office in Support of Neither Party <http://www.scotusblog.com/wp-content/uploads/2016/04/15-1182.amicus.final_.pdf>

⁶ Counsel of record consulted with the parties in this matter to request their consent to file this *amicus* brief. Appellant RecogniCorp, LLC and Appellees Nintendo Co., Ltd. and Nintendo of America, Inc. consented to its filing.

McRO, Inc. v. Bandai Namco Games Am. Inc., 837 F.3d 1299 (Fed. Cir. 2016).

In relation to the second part of the *Alice* test, and in particular, whether or not an ordered combination of features is transformational, it is also contrary to *Webster Loom Co. v. Higgins*, 105 U.S. 580 , 591 (1881), *Washburn & Moen Mfg. Co. v. Beat-'Em All Barbed Wire Co.*, 143 U.S. 275 (1892), *Carnegie Steel Co. v. Cambria Iron Co.*, 185 U.S. 403 (1902), *United States v. Adams*, 383 U.S. 39 (1966), and *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398 (2007).

In its reasoning and outcome, the decision is contrary to the requirements in Article 27 of the TRIPS treaty, to which the United States is a party, that patents shall be available in all fields of technology and shall be available without discrimination as to the field of technology. By comparison with this case, the EPO Appeal Board decision in T 208/84 *Computer-related invention/VICOM*⁷ exemplifies that conflict.

In addition to the question contained in Appellant's Petition for Rehearing, it raises the following precedent-setting questions of exceptional importance:

(1) What scope is attributable to the phrase "directed to" in the first stage of the *Alice* test, at what level of abstraction is interpretation of a representative claim

⁷ *VICOM/Computer related invention*, T 208/84, OJ EPO 1987, 14, (see EP-B-0005954; US 4330833 corresponds)
<https://www.google.co.uk/?gws_rd=ssl#q=epo+appeal+board+vicom+OJ&spf=1497163327258>

impermissibly untethered from the express language of that claim, and is an abstraction permissible where it omits reference to elements positively recited in a representative claim?

(2) Is a new and beneficial result improving a technological process available to rebut an objection that claimed subject matter falls within the law of nature, natural phenomenon or abstract idea exception?

(3) Is the *Alice* test, as applied in the breadth of the present decision, incompatible with the obligations of the United States under Article 27 of TRIPS?

BACKGROUND AND HOLDING

The factual background is as stated at pages 7-8 of the Petition.

REASONS FOR GRANTING REHEARING EN BANC

I. Refinement of the first stage of the *Alice* test and evolution of rules that are more fixed and are rooted in the claim language are important to the public both from the standpoint of those conducting proceedings before the USPTO and those involved in litigation before the courts.

The decision in this case applied the two-step test set out in *Alice Corp. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2354 (2014) with undue breadth. In the first step, the phrase “directed to” was applied using a mere paraphrase of only part of the subject matter of the representative claim while disregarding other significant elements of that claim. Arbitrary disregard of claimed elements when conducting the § 101 analysis creates uncertainty for patent applicants based both in the U.S.

and in Europe, for those involved in re-examination and contentious proceedings before the USPTO and for those involved in litigation. The decision held that the present case is similar to *Digitech Image Technologies, LLC v. Electronics for Imaging, Inc.*, 758 F.3d 1344 (Fed. Cir. 2014). However, the representative claims in *Digitech* were directed to a device profile and to a method for generating it, the device profile explicitly combining first and second data, so that it could truly be said that the claimed method began and ended with data. In contrast, the identical finding in this case⁸ ignores the fact, apparent to any ordinarily-skilled reader of the representative claim, that the method starts not with data but with one physical image on a first display and ends not with data but with a second physical image on a second display. The fact pattern in the present case was therefore entirely different from that in *Digitech* and calls for both different reasoning and a different outcome.

The words “directed to” lack clear definition, which may account for the risk of inappropriate paraphrasing of specific and detailed claim language leading to unacceptable flexibility, so that the doctrines of patent eligibility risk changing with every succeeding judge or USPTO examiner in a manner reminiscent of John Selden’s jibe published in 1689 that “equity varied with the length of the

⁸ Slip opinion, page 9, final sentences of first paragraph.

Chancellor's foot"⁹. It is submitted that reconsideration of the case en banc should reaffirm in the context of the § 101 judicial exceptions the established rule in the decisions cited above that all elements or limitations recited in a claim must be taken into account when considering anticipation or infringement, and hence by implication § 101 eligibility, and that the arrangement of those elements specified in the claim must also be considered. Likewise, the holding in *Enfish* should be reaffirmed that describing claims at a high level of abstraction and untethered from the language of the claims all but ensures that the exceptions to § 101 swallow the rule, as also should the warning in *McRO, Inc. v Bandai Namco Games* that courts must be careful to avoid oversimplifying the claims by looking at them generally and failing to account for the specific requirements of the claims¹⁰. These principles are fundamental to patent law, not only in the U.S., but also in the U.K. and elsewhere in Europe and under the EPC, and if disregarded would introduce unacceptable uncertainty.

II. New and beneficial results should be considered under *Alice* to ensure that the test for eligibility under § 101 is no more severe than the test for non-obviousness under § 103.

The second step of the *Alice* analysis is flawed firstly as a result of

⁹ See H. Jefferson Powell, "CARDOZO'S FOOT": THE CHANCELLOR'S CONSCIENCE AND CONSTRUCTIVE TRUSTS, *Law and Contemporary Problems*, 56(3), 7-27 (1993).

¹⁰ Slip opinion at page 21.

oversimplification and secondly as a result of failure to take account of the benefits recited in the patent from the ordered combination. Here, such benefits include the ability of a facial image to be described with a very small number of characters compared to a graphical representation, providing the advantages of: rapid transmission of the composite picture over a data transmission medium, reduction in bandwidth for transmission of the image, and substantial savings in terms of memory requirements for storing the image.

The principle of granting patentable weight in cases that involve beneficial ordered combinations is aptly summarized by Justice Bradley in *Webster Loom Co. v. Higgins*, 105 U.S. 580, 591 (1881): “It may be laid down as a general rule, though perhaps not an invariable one, that if a new combination and arrangement of known elements produce a new and beneficial result, never attained before, it is evidence of invention.” That opinion was cited with approval by Justice Brown in *Washburn* and in *Carnegie Steel*. Similarly, in *KSR*, the Court observed of the *Adams* invention: “The fact that the elements worked together in an unexpected and fruitful manner supported the conclusion that Adams’s design was not obvious to those skilled in the art.”

Amicus submits that evidence of invention under § 103 should be equally pertinent to § 101. However, this Court’s decision in the instant case recites no evidence that the benefits provided by the invention had ever been achieved before

in the prior art. That is, neither the prior art paper strips nor the coding systems of Samuel Morse or Paul Revere can be said to beneficially improve the transmission of images. *RecogniCorp, LLC v. Nintendo Co.*, 855 F.3d 1322, 1326 (Fed. Cir. 2017). If the newly obtained benefits of the invention are taken into account, then the claimed ordered combination should have been held to be transformative within *Alice* step two.

III. When broadly interpreted, the two-part *Alice* test raises issues of compliance with TRIPS.

Acts of Congress, including 35 U.S.C. § 101, where fairly possible, should be construed so as not to conflict with international law or with an international agreement with the U.S., particularly where, as with TRIPS, the U.S. was the moving spirit¹¹ behind the Treaty. Article 27.1 of TRIPS entitled “Patentable Subject Matter” provides a complete code for patent-eligibility which WTO member countries, including the U.S., are required to respect. It requires patents to 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, and that patent rights should be enjoyable without

¹¹ “[A]n act of Congress ought never to be construed to violate the law of nations if any other possible construction remains, and consequently can never be construed to violate neutral rights, or to affect neutral commerce, further than is warranted by the law of nations as understood in this country.” *Murray v. The Schooner Charming Betsy*, 6 U.S. (2 Cranch) 64, 118 (1804).

discrimination as to the field of technology. This case is an example of an internationally discordant, not harmonious, result, contrary to the eligibility requirements of TRIPS Article 27. It conflicts with the opinion of the EPO Appeal Board in T 208/84 *Computer-related invention/VICOM* where the Appeal Board agreed with the Examining Division that a method of digitally filtering a two-dimensional data array was a mathematical method, but that as a matter of broad general principle, a method for image processing is patent-eligible subject matter under Articles 52(2) and (3) EPC¹². It explained:

5. There can be little doubt that any processing operation on an electric signal can be described in mathematical terms. The characteristic of a filter, for example, can be expressed in terms of a mathematical formula. A basic difference between a mathematical method and a technical process can be seen, however, in the fact that a mathematical method or a mathematical algorithm is carried out on numbers (whatever these numbers may represent) and provides a result also in numerical form, the mathematical method or algorithm being only an abstract concept prescribing how to operate on the numbers. No direct technical result is produced by the method as such. In contrast thereto, if a mathematical method is used in a technical process, that process is carried out on a physical entity (which may be a material object but equally an image stored as an electric signal) by some technical means implementing the method and provides as its result a certain change in that entity. The technical means might include a computer comprising suitable hardware or an appropriately programmed general purpose computer.

6. The Board, therefore, is of the opinion that even if the idea underlying an invention may be considered to reside in a mathematical method a claim directed to a technical process in which

¹² Reasons, paragraph 3.

the method is used does not seek protection for the mathematical method as such.

The preamble to the claim that was allowed by the Appeal Board is set out below, with deletions and additions relative to the version originally presented identified by brackets and underlining. Note that the bulk of the claim recites the mathematical method that the Examining Division had held to be excluded.

A method of digitally [filtering a data array] processing images in the form of a two-dimensional data array having elements arranged in rows and columns in which an operator matrix of a size substantially smaller than the size of the data array is convolved with the data array

On the reasoning of the panel opinion in this case, the *VICOM* method would have been held to be “directed to” the mathematical method of filtering a data array falling within the abstract idea exclusion, that it starts with data, adds an algorithm, and ends with a new form of data¹³, thereby being directed to an abstract end result, and the feature of processing images in the form of a two-dimensional data array not amounting to an inventive concept “transforming” the nature of the patent claims into a patent-eligible invention¹⁴. The inconvenient real-world fact that the method started with an unsmoothed image and ended with a sharpened image should be disregarded since the inventive features were in the mathematical method. The reasoning of the panel opinion in this case is therefore in direct and

¹³ Slip opinion, page 9 lines 2-9.

¹⁴ Slip opinion, page 2 lines 7-8, page 9, final paragraph, page 11, first full paragraph.

unavoidable conflict with the reasoning in *VICOM* as also is the outcome in terms of the eligibility of methods for image processing. For these reasons, reconsideration is warranted in view of U.S. obligations under the TRIPS agreement.

Respectfully submitted,

June 13, 2017

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CERTIFICATE OF COMPLIANCE

This brief complies with the word count limitation of Fed. Cir. R. 35(g), and contains 2,599 words, exclusive of the portions exempted by Fed. R. App. P. 32(f) and Fed. Cir. R. 32(b).

The brief complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type style requirements of Fed. R. App. P. 32(a)(6) because this brief has been prepared in a proportionally-spaced typeface using Microsoft Word 2010 in 14-point Times New Roman type.

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I, Gary Y. Chyi, being duly sworn according to law and being over the age of 18, upon my oath deposes and states that:

Counsel Press was retained by Donald L. Zuhn, Jr., McDonnell Boehnen Hulbert & Berghoff LLP, Counsel for *Amicus Curiae* Paul Gilbert Cole, to print this document. I am an employee of Counsel Press.

On June 13, 2017, Dr. Zuhn authorized me to electronically file the foregoing Brief of *Amicus Curiae* Paul Gilbert Cole In Support of Appellant's Petition for Rehearing En Banc with the Clerk of the Federal Circuit using the CM/ECF System, which will serve e-mail notice of such filing on the following:

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Eighteen paper copies will be filed with the Court within the time provided
in the Court's rules.

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