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High Court Again Asks For SG's Views On Patent Eligibility

By **Ryan Davis**

Law360 (October 3, 2022, 9:36 PM EDT) -- Just three months after rejecting a patent eligibility case that the U.S. solicitor general had recommended hearing, the U.S. Supreme Court on Monday asked for the federal government's take on whether it should hear a different case on the contentious issue.

Having refused in June to hear a high-profile case from the Federal Circuit known as American Axle, the justices asked Solicitor General Elizabeth Prelogar to file a brief in a case where Interactive Wearables LLC argues that a judge wrongly invalidated its media player patents by finding that they cover only a patent-ineligible abstract idea.

The order indicates that the justices are continuing to monitor the issues surrounding patent eligibility under Section 101 of the Patent Act, and the question is whether they will find Interactive Wearables to be the right case to weigh in on, said Robert Sokohl of Sterne Kessler Goldstein & Fox PLLC, who is not involved in the case.

"Anytime this particular Supreme Court shows any interest in 101, it's a positive development," he said. "There's no doubt that we need further guidance from the court."

Patent eligibility is a complex issue with a lot of legal wrinkles, which may be why the justices are looking for assistance in deciding when and whether to tackle it, said another observer, Michael Hawes of Baker Botts LLP.

"If it's a 101 case, they may see it as helpful to get the solicitor general's view before they dive in too deep on it," he said.

Two Different Cases

Interactive Wearables' patents were found invalid in a suit in the Eastern District of New York against Finnish smartwatch maker Polar Electro Oy. The judge said the patents claim nothing more than the abstract idea of "providing information in conjunction with media content."

After the Federal Circuit affirmed that decision in a one-line order in October 2021, Interactive Wearables filed its cert petition in March. It claimed that the federal judge improperly conflated patent eligibility with enablement — a separate requirement that patents provide enough information to allow a skilled person to make and use the invention.

At the time, the justices were considering American Axle, which involved the invalidation of vehicle driveshaft patents. A Federal Circuit panel affirmed it, leading to a bitterly-divided 6-6 decision in which the full court denied en banc review.

The solicitor general recommended in May, more than a year after the justices requested a brief, that the high court take that case, saying it "reflects substantial uncertainty about the proper application of Section 101."

An attorney for Interactive Wearables said when the company filed its cert petition that its case "raises issues nearly identical" to American Axle, so the high court should hear them in tandem.

However, the justices declined to hear American Axle in late June, the second time in three years it refused to take up a patent eligibility case the solicitor general had recommended hearing.

The move dismayed observers who maintained that American Axle provided an ideal vehicle for the Supreme Court to clarify the standard for patent eligibility laid out in its 2014 Alice v. CLS Bank **decision**, which many have described as murky and unclear, including members of Congress, USPTO directors, and current and former federal and appellate judges.

A Distinct Issue

After cert was denied in American Axle, Interactive Wearables renewed its push to get the justices to hear its case, arguing in July that the enablement issue it raised was not presented in the other case and so deserved the court's attention.

Specifically, the company argued that the lower court incorrectly looked at the level of detail in the patents' specification, or the written description of the invention, when deciding that they were directed to abstract ideas.

The federal judge said that the specification didn't provide enough detail about the components involved in Interactive Wearable's inventions. But the company said that is a question related to enablement under Section 112 of the Patent Act, not patent eligibility under Section 101.

The district court's "quasi-enablement analysis has no place in determining patent eligibility under Section 101 and this court's jurisprudence," Interactive Wearables argued in a July brief. "Section 112 and Section 101 are meant to be separate inquiries."

In April, attorneys from McDonnell Boehnen Hulbert & Berghoff LLP filed an amicus brief arguing that the Interactive Wearables case is the best case for the justices to take to clarify the "murky, inconsistent" law on patent eligibility because it "involves an intuitive technology."

Sokohl said Monday that the case "is a good vehicle if the Supreme Court wants to enunciate a bright line" that the patent eligibility analysis involves looking only at whether the patent claims are directed to an abstract idea.

He added that if the court takes the case, he would also like the eventual opinion to put limits on the type of things that can be deemed an abstract idea, a phrase the court has not defined in previous decisions.

Just because the solicitor general recommended hearing American Axle doesn't mean she will do the same in Interactive Wearables, Hawes said, adding that it will come down to whether the case is the best one for the high court to address patent eligibility.

"If they take up a 101 case, I don't care what case it is. It's going to be significant," he said. "A Supreme Court case would likely result in significant changes" to the law on patent eligibility.

Polar Electro initially declined to respond to the petition, but the justices asked it to file a brief. In June, the company argued that the lower court correctly invalidated the patents, and that similar patents "are consistently held to be ineligible" under Alice.

Anthony J. Fuga of Holland & Knight LLP, an attorney for Polar Electro, said Monday that "while we're surprised" that the justices asked for the solicitor general's views, "we remain confident that the Interactive Wearables petition should not be granted by the Supreme Court."

"The Supreme Court has had numerous opportunities to provide further guidance on Section 101 patent eligibility and has continuously declined to do so, even though many of these other cases contained dissents, en banc opinions, and the Federal Circuit itself explicitly calling for the Supreme Court's guidance. The Interactive Wearables case has none of this," he said.

Counsel for Interactive Wearables could not immediately be reached for comment Monday.

The patents-at-issue are U.S. Patent Nos. 9,668,016 and 10,264,311.

Interactive Wearables is represented by Andrea Pacelli, Michael DeVincenzo and Charles Wizenfeld of King & Wood Mallesons LLP.

Polar Electro is represented by Anthony J. Fuga and John P. Moran of Holland & Knight LLP.

The case is Interactive Wearables LLC v. Polar Electro Oy et al., case number 21-1281, before the U.S. Supreme Court.

--Editing by Adam LoBelia.
