

SG Tells Justices To Skip 'Unsuitable' Abstract Patent Appeal

By Tiffany Hu

Law360 (December 20, 2019, 3:15 PM EST) -- The solicitor general is urging the U.S. Supreme Court to pass on another appeal seeking to clarify what is eligible for patent protection, saying that the case concerning patenting abstract ideas is “unsuitable” for review because it involves patents that are invalid regardless of the eligibility approach.

In a 24-page brief Wednesday, U.S. Solicitor General Noel J. Francisco told the justices to deny the September petition for certiorari filed by Trading Technologies International Inc., which is asking the justices to either define what exactly is abstract — and therefore ineligible for protection under Section 101 of the Patent Act — or do away with the concept altogether.

Francisco said that although the high court’s “recent decisions have introduced substantial uncertainty” about what is patent-eligible, the disputed patents would be invalid even under the approach the court historically applied before its 2010 ruling known as *Bilski*, which the government blames for introducing confusion about the issue.

As such, Trading Technologies’ case is an “unsuitable vehicle to address those broader issues,” the solicitor general wrote. “Although the court should consider in an appropriate case whether to return to its pre-*Bilski* conceptualization of Section 101’s boundaries ... that question appears to have no practical significance in this case.”

The appeal stems from an April Federal Circuit decision invalidating three Trading Technologies patents covering graphical user interfaces used in electronic trading. The appeals court upheld a Patent Trial and Appeal Board ruling that the patents were abstract in a challenge launched by IBG LLC and Interactive Brokers LLC.

Trading Technologies claimed its patents “embody as much innovation, inventiveness, and human benefit as any of the dozens of improved scalpels and forceps” that have been given patent protection, even if they didn't improve hardware, according to the certiorari petition.

This case provides an “ideal vehicle” to decide whether an abstract idea exception to patent eligibility, created by judges, fits with the Patent Act, the September petition stated.

“By finally answering that question, the court could, once and for all, dispose of an unworkable and ill-considered vestige of ancient, obsoleted jurisprudence and put an end to the decades of turmoil as

courts have struggled to apply the inherently shapeless 'abstract idea' exception to the inventions of the modern age," Trading Technologies said.

Counsel for the parties did not immediately respond to requests for comment Friday.

Earlier this month, the solicitor general said that the justices should decline to hear two cases that he similarly said were not the right vehicles for redoing its patent eligibility framework, pointing instead to a case over the eligibility of diagnostic test patents as a better candidate.

The patents-in-suit are U.S. Patent Nos. 7,533,056; 7,212,999; and 7,904,374.

The solicitor general's office is represented by Noel J. Francisco, Joseph H. Hunt, Mark R. Freeman, Scott R. McIntosh and Weili J. Shaw.

Trading Technologies is represented in-house by Steven F. Borsand, and by Andrew M. Grossman and Renee M. Knudsen of BakerHostetler.

IBG and Interactive Brokers were represented at the Federal Circuit by Byron L. Pickard, Robert E. Sokohl, Richard M. Bembem and Jon Wright of Sterne Kessler Goldstein & Fox PLLC and Michael T. Rosato of Wilson Sonsini Goodrich & Rosati PC.

The case is Trading Technologies International Inc. v. IBG LLC et al., case number unavailable, in the Supreme Court of the United States.

--Additional reporting by Dani Kass. Editing by Jack Karp.