

No. 2016-1499

United States Court of Appeals
for the
Federal Circuit

Appeal No: 2016-1499

RECOGNICORP, LLC

Plaintiff-Appellant

V.

NINTENDO CO., LTD AND NINTENDO OF AMERICA

Defendants-Appellees

**On Appeal from the United States District Court
for the Western District of Washington**

No. 2:12-cv-01873-RAJ

Hon. Richard A. Jones

**Brief of Amicus Curiae In Support of Appellant's Request for Rehearing and
Rehearing en Banc**

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UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

RecogniCorp, LLC v. Nintendo Co., LTD and Nintendo of America
 Appeal No. 2016-1499

CERTIFICATE OF INTEREST

Counsel for Amicus certifies the following:

1. Full Name of Party Represented by me	2. Name of Real Party in interest (Please only include any real party in interest NOT identified in Question 3) represented by me is:	3. Parent corporations and publicly held Companies that own 10 % or more of stock in the party
Mario Villena, Miami Florida.	N/A	None
Jose Villena, Miami Florida.	N/A	None
San Diego Inventors Forum, San Diego, CA, Adrian Pelkus, President	N/A	None
Christian Inventors Association, Shelton, CT, Pal Asija, President,	N/A	None
Edison Innovators Association, Fort Myers, FL, Matt Steig, President	N/A	None
Independent Inventors of America, Clearwater, FL, Randy Landreneau, President	N/A	None
Inventors Society of South Florida, Deerfield Beach, FL – Leo Mazur, President	N/A	None
National Innovation Association, Stuart, FL, Lu Anne Puett, President	N/A	None
North Florida Inventors and Innovators, Bob Hawkinson, President	N/A	None

Tampa Bay Inventors Council, Tampa, FL, Wayne Rasanen, President	N/A	None
US Inventor, Inc., Highland, IN, Paul Morinville, President	N/A	None
Inventors Associaton of South Central Kansas, Wichita, KS, Gary Stecklein, President	N/A	None
Central Kentucky Inventors Council, Winchester, KY, Don Skaggs, President	N/A	None
Inventors Association of New England, Cambridge, MA, Bob Haussein, President	N/A	None
Inventors Network of Minnesota, Oakdale, MN, Steve Lyon, President	N/A	None
Inventors Network of the Carolinas, Charlotte, NC, Brian James, President	N/A	None
South Coast Inventors, North Bend, OR, Eric Radkey, President	N/A	None
Music City Inventors, Nashville, TN, James Stevens, President	N/A	None
Inventors Network of Wisconsin, Green Bay, WI, Jeff Hitzler, President	N/A	None
Rocket City Inventors, Huntsville, AL, Francisco Guerra, Founder	N/A	None
Akron Inventors Club, Akron, OH, Craig Miloscia, President	N/A	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 are expected to appear in this court are: **Law Office of Burman Y. Mathis**

June 11, 2017

/s/ Burman Y Mathis/

Burman Y Mathis, Esq.

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I. Identity and Interests of *Amici Curiae*

The *Amici Curiae* are individual inventors and small business owners, joined by various inventor associations having tens of thousands of members. *Amici Curiae* believe that their respective patent portfolios are wrongly threatened by the holding of the instant Decision. They have no stake in the parties or in the outcome of the case beyond the deleterious effects of the instant Decision.¹ The names and affiliations of the members of the *amici* are set forth in the Appendix.

II. Summary of Argument / Reasons to Grant Rehearing

Respectfully, the patent eligibility standards of the instant Decision are irreconcilable with Supreme Court precedent as well as various decisions issued from this Court. There is no claim in any patent based on any technology that can withstand 35 U.S.C. §101 if treated under the standards used in the present case.

A fundamental problem with the Decision is that it abrogates the policy of preemption in favor of a *per se* rule having no connection with preemption. Respectfully, the idea that “encoding and decoding” must be abstract under step 1

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. Fed. R. App. P. 29(c)(5). *Amici* paid for printing and filing. Appellant has consented to this filing; Appellee has not responded. A motion for leave to file is submitted with this Brief.

of the *Alice Corp.* test regardless of the specific requirements of a claim should be set aside for failure to comply with established preemption policies.

The Decision also ignores the rule set forth in *Alice Corp.* that eligibility under §101 requires an analysis of all claim limitations as an ordered combination. This rule, which was clarified in *McRO* to require that all claim limitations be addressed in step 1 of the *Alice Corp.* test, is discarded by the Decision. The wisdom of “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 claims” stated nine months ago in *McRO* is ignored, inoperable.

The instant Decision is not just problematic, but a great danger to various modern industries. By way of example, in Appellant’s Request for Rehearing, RecogniCorp (pages 2-3) aptly describes a large variety of at-risk technologies that give rise to multi-billion dollar industries such as “MP3 players, DVD and Blu-ray players, digital cameras, cell phones, videoconferencing systems, voiceover-IP telephone systems, and online video services.”

RecogniCorp does not overstate the problem, and indeed understates the problem. Under the erroneous legal analysis and holding of the present decision, any television or computer display designed and produced in the last decade that relies on digital data conversion, data manipulation and data filtering, ***which is all of them***, is at risk of losing patent protection. Similarly, any communication or data

storage device designed and produced in the last decade that relies on any form of digital data modulation and error correction, *which is all of them*, is at risk of losing patent protection.

As an experienced patent prosecution attorney, present Counsel respectfully asserts that the inconsistent treatment by the Federal Circuit under §101 case-to-case has caused chaos at the USPTO. Patent prosecution professionals and examiners alike are frustrated by an inability to reconcile various published decisions from *DDR Holdings* to the present case.

By way of example, under the instant Decision, patent examiners not only have *carte blanche* to ignore any claim limitation and issue of evidence under step 1 of *Alice Corp.*, but are free to ignore decades of established precedential decisions focused on preemption in favor a *per se* rule having no basis in preemption.

The tens of thousands of inventors represented by present Counsel do *not* advocate that RecogniCorp's claims *must* be patent eligible. *Amici* merely assert that the evidentiary and analytical shortcuts of the instant Decision are a specious departure from precedent that, if allowed to continue, will capriciously and negatively affect whole classes of patents and patent applications.

III. Argument

A. Patent Eligibility Principles

While *O'Reilly v. Morse*, 56 U.S. 62 (1853) was not the first case to discuss patent eligibility, it is instructive. The principle set forth in *Morse* was simple: claims that applied a law of nature (electromagnetism) to perform communications while tethered to particular form of machinery described within the specification were patent eligible, while the eighth claim, which was not tethered to any machine and encompassed every possible device that employed electromagnetism-based communication, was considered too broad.

One-hundred and nineteen years later, *Gottshalk v. Benson*, 409 U.S. 63 (1972) artfully described the history of abstractness, and concluded that both claims at issue in Benson's patent, even one tied to a specific shift-register machine, would "wholly pre-empt the [BCD to binary] mathematical formula and in practical effect would be a patent on the algorithm itself." *Id.* at 72. As such, *Gottshalk* recognizes that a machine operating upon a mathematical formula could be abstract despite the *Morse* holding and despite the Machine or Transformation (MoT) test that was briefly the sole test for §101 patent eligibility.

Parker v. Flook, 437 U.S. 584 (1978) later held that a claim that amounted to no more than a mathematical formula with specific, conventional post-solution

activity was abstract noting that no conventional post-solution activity “can transform an unpatentable principle into a patentable process.” *Id.* at 590.

In *Diamond v. Diehr*, 450 U.S. 175 (1981), the Supreme Court was tasked with answering whether a particular algorithm-based rubber-curing process controlled by a computer was patent eligible.

Without question, curing rubber was as abstract in 1981 as the business method in *Alice Corp.* was in 2014,² and certainly the Arrhenius equation (“ $\ln v = CZ + x$ ”) was and will always be abstract. Yet a claim that added one abstract to another abstract was held to be patent eligible *by virtue of the particular way that a computer solved the Arrhenius equation to calculate a “cure time”* - the claim thereafter employing a conventional, post-solution step of opening a rubber mold.

The *Diehr* Court wisely held that, in determining patent eligibility, “claims must be considered as a whole, it being inappropriate to dissect the claims into old and new elements and then to ignore the presence of the old elements in the analysis.” *Diehr*, 450 U.S. at 188.

Mayo Collaborative Services v. Prometheus Laboratories, Inc., 566 U. S. ____ (2012) later clarified that, not only must claims be considered as a whole, but that all claim limitations must be considered “as an ordered combination.” *Id.* at ____

² The *Diehr* Court observed that curing rubber is a practice going back to 1854 (*Diehr*, 450 U.S. 175, n. 8), and so curing rubber is evidently older than the business method at issue in *Alice Corp.*

(slip op., at 10). *Alice Corp.* repeated this rule. *Alice Corp*, 573 U.S. ____ (slip op., at 2, 3, 7, 15).

McRO, Inc. v. Bandai Namco Games Am. Inc., 837 F.3d 1299 (Fed. Cir. 2016) not only adhered to the requirement of analyzing “the ordered combination of claimed steps” (*Id.* at 1302), it re-iterated that the courts ““must be careful to avoid oversimplifying the claims’ by looking at them generally and failing to account for the specific requirements of the claims,” and held that “[w]hether at step one or step two of the *Alice* test, in determining the patentability of a method, a court must look to the claims as an ordered combination, without ignoring the requirements of the individual steps.” *Id.* at 1313.

B. The Decision Violates the Requirement That Claims Must Be Considered As a Whole under Step 1 of the Alice Corp. Test

The instant Decision has, under step 1 of the *Alice Corp.* test, unquestionably oversimplified the present claims to “encoding and decoding image data.” Slip op. at 2. While present Counsel is aware that it is generally permissible to ignore the use of a computer in a step 1 analysis, the instant Decision fails to address all non-computer-related limitations under step 1. Thus, the instant Decision violates precedent.

This leads to the following possible conclusions.

Either the learned Panel: (1) inadvertently failed to address the present claims as a whole under step 1 of *Alice Corp.*; or (2) adopted a new rule that transforming data from one form to another using math must result in a patent ineligible claim.

If the instant Decision is a product of oversight, the Decision must be set aside.

If the Panel adopted a new *per se* rule to justify its dismissal of claim limitations (other than the use of a generic computer) under step 1 of *Alice Corp.*, then the Panel's new rule needs to be explained in sufficient detail in order to give RecogniCorp and the rest of the world fair notice of the rule's legal and intellectual underpinnings. Otherwise, the instant Decision stands for an irreconcilable holding that has potential to cause great harm to a variety of industries.

C. The Decision Is Irreconcilable with Binding Precedent and Established Preemption Policies

As the Supreme Court stated in *Bilski v. Kappos*, 561 U.S. 605 (2010): “the machine-or-transformation test would create uncertainty as to the patentability of software, advanced diagnostic medicine techniques, and inventions based on linear programming, ***data compression***, and the manipulation of digital signals” (emphasis added).

Clearly, the Supreme Court contemplated that data compression (a form of data encoding) is still within the realm of patent-eligible subject matter while rejecting the MoT test - a *per se* rule ill-grounded in preemption. Noticeably missing

from the instant Decision is any discussion of preemption, which present Counsel asserts (without detailed discussion) is and has always been the underlying factor driving the judicial exceptions to patent eligibility under §101.

Present Counsel is aware that preemption need not be complete. *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (holding that “the absence of complete preemption does not demonstrate patent eligibility”). Present Counsel is also aware that preemption may be assumed under some circumstances, i.e., “questions on preemption are inherent in and resolved by the §101 analysis.” *Id.*

However, preemption can *never* be inherent in, or resolved by, a new rule having no basis in preemption.

Certainly Recognicorp’s claims cannot possibly preempt encoding and decoding data beyond their narrow and specific scope.

Certainly, the present claims cannot possibly preempt the “Identi-Kit” discussed in Appellee’s Brief (EFS Document 55) at pages 35-36 as the Identi-Kit does not satisfy, for example, the limitation of: “wherein the composite facial image code is derived by performing at least one multiplication operation on a facial code using one or more code factors as input parameters to the multiplication operation.”

Certainly the present claims cannot possibly preempt the idea of using at least one multiplication operation in encoding/decoding (or any other) operations.

Thus, the issue is raised: *what exactly do the present claims preempt?*

This is a fundamental question that should be *expressly* asked and *expressly* answered in every patent eligibility analysis.

The apparent closest discussion on preemption of the Decision (slip op at 8) is one that *erroneously* differentiates the instant case from *Diehr* - asserting that “*Diehr* is distinguishable because, outside of the math, claim 1 of the '303 patent is not directed to otherwise eligible subject matter. Adding one abstract idea (math) to another abstract idea (encoding and decoding) does not render the claim non-abstract.”

This statement necessarily assumes that curing rubber is not abstract while encoding and decoding data is abstract. This statement also erroneously assumes that there is no possibility that two abstracts somehow cannot be combined into a patent-eligible claim. These assumptions are specious according to the *Diehr* and *Mayo* decisions.

As was observed in *Mayo*: “In *Diehr*, the overall process was patent eligible because of the way the additional steps of the process integrated the equation into the process as a whole.” *Mayo*, 450 U.S. at ___ (slip op at 3). Thus, the saving quality in *Diehr* was how the Arrhenius equation was implemented to cure rubber, not whether curing rubber was abstract or not. *Mayo* clearly recognizes that well-

known, conventional activity, such as curing rubber, can be as abstract as a law of nature or a business method from the 1890s.

In view of *Mayo*, the instant Panel clearly failed to take into account that *Diehr* was directed to applying the Arrhenius equation (an abstract) to the idea of curing rubber (an abstract). Does this Court wish to contend that curing rubber was not well-known, routine and conventional in 1981?

In contrast to *Diehr*, the instant Decision does not address how math is integrated into the claims, *but merely assumes that adding math in any form to an encoding/decoding scheme renders a claim patent ineligible*. This position, being at odds with *Diehr* and *Mayo*, cannot stand.

Thus, the instant Decision's specious new rule that adding one abstract idea to another abstract idea cannot render a claim non-abstract (slip op. at 8) is just as erroneous as using the MoT test as the sole criteria for patent eligibility.

IV. Conclusion

For the reasons stated above, the Decision must be set aside.

/s/ Burman Y. Mathis
Burman Y. Mathis

APPENDIX

List of Amici Curiae

Mario Villena and Jose Villena, Miami, FL. Inventors and patent applicants.

Rocket City Inventors, Huntsville, AL, Francisco Guerra, Founder, 256-278-0920

The purpose of Rocket City Inventors is to assist independent inventors in going from an idea to a successful product in the marketplace.

San Diego Inventors Forum, San Diego, CA, Adrian Pelkus, President, 760-591-9608

The San Diego Inventors Forum motivates, educates and networks inventors helping them to become entrepreneurs that create new jobs in our community.

Christian Inventors Association, Shelton, CT, Pal Asija, President, 203-924-4271

The Christian Inventors Association educates Christian inventors in what they need to know to be successful and to not be taken advantage by dishonest operators.

Edison Innovators Association, Fort Myers, FL, Matt Steig, President, 239-896-8140

The Edison Innovators Association is a non-profit educational assistance organization that provides information and assistance to inventors, innovators, and

entrepreneurs at all levels.

Independent Inventors of America, Clearwater, FL, Randy Landreneau, President,
727-744-3748

Independent Inventors of America was formed to educate inventors and to and get them involved in stopping legislation that is harmful to their interests. The Founding Members are heads of inventor groups nationwide.

Inventors Society of South Florida, Deerfield Beach, FL – Leo Mazur, President,
561-676-5677

The Inventors Society of South Florida is dedicated to the advancement of the Independent Inventor through the use of Education, Motivation and Collaborative support.

National Innovation Association, Stuart, FL, Lu Anne Puett, President, 772-285-9821

National Innovation Association is a national association of inventors who work with children and schools to promote innovation.

North Florida Inventors and Innovators, Bob Hawkinson, President, 904-699-0046

North Florida inventors and innovators group is a grassroots effort to help educate new product developers on the business of inventing and innovating. We help new product developers by bringing in speakers and meeting typically monthly in order to help educate and make contacts for all the things that small business owners will need to try and help them be successful re launching, patenting, and copyrighting and trademarking their products.

Tampa Bay Inventors Council, Tampa, FL, Wayne Rasanen, President, 727-372-0155

The Tampa Bay Inventors Council was founded in 1983 with the purpose of educating and advocating for inventors and helping them bring their ideas successfully to market.

US Inventor, Inc., Highland, IN, Paul Morinville, President, 512-294-9563

US Inventor, Inc, advocates in Washington DC and around the country on behalf of small inventors and startups for strong patent rights.

Inventors Association of South Central Kansas, Wichita, KS, Gary Stecklein, President, 316-667-2497

The Inventors Association of South Central Kansas, provides education to

independent inventors on all phases of the invention process.

Central Kentucky Inventors Council, Winchester, KY, Don Skaggs, President, 859-201-1311

The Central Kentucky Inventors Council is committed to promoting independent innovation both in our communities and across the state. It helps inventors, entrepreneurs and other creative people through education, support and networking.

Inventors Association of New England, Cambridge, MA, Bob Hausslein, President, 781-862-9102

The purpose of this association is to educate and support the independent inventor through the combined expertise of club members and other resources.

Inventors Network of Minnesota, Oakdale, MN, Steve Lyon, President, 612-462-4642

The Inventors Network of Minnesota is the largest and oldest inventors organization of its kind in Minnesota. Its mission is to assist our members in developing products and creating inventions at every step.

Inventors Network of the Carolinas, Charlotte, NC, Brian James, President, 704-

605-0929

The Inventors' Network of the Carolinas is a non-profit support group connecting inventors to professional business resources that can guide and inspire the invention process, thereby creating successful commercial ventures. We are a member of the United Inventors Association, a national organization that connects many inventor support groups across America.

Akron Inventors Club, Akron, OH, Craig Miloscia, President, 330-247-2182

The Akron Inventors' Club is dedicated to providing educational resources to the inventing community, including developing a business, fostering creativity, commercializing products, and increasing inventors' business skills while promoting awareness of intellectual property tools and encouraging honest and ethical business practices among industry service providers.

South Coast Inventors, North Bend, OR, Eric Radkey, President, 541-366-1677

South Coast Inventors helps inventors learn to navigate the complicated path of product development, patent search & application, prototype construction, and marketing. Every member's expertise is drawn on to solve problems.

Music City Inventors, Nashville, TN, James Stevens, President, 615-681-6462

Music City Inventors provides a forum for inventors, innovators, entrepreneurs and seasoned business people to come together, not only to share what they are looking for, but also to share the knowledge they have to help others reach their dreams.

Inventors Network of Wisconsin, Green Bay, WI, Jeff Hitzler, President 920-619-2030

The Inventors Network of Wisconsin educates inventors and provides them with the tools to be successful.

**UNITED STATES COURT OF APPEALS FOR THE FEDERAL
CIRCUIT**

RecogniCorp, LLC v. Nintendo Co., LTD and Nintendo of America
Appeal No. 2016-1499

CERTIFICATE OF COMPLIANCE

Pursuant to Federal Rule of Appellate Procedure 29(c)(7), I certify the following:

This brief complies with the type volume limitations of Rule 32(a)(7)(B) because the brief contains less than 2,370 words, excluding the parts of the brief exempted by Rule 32(a)(7)(B)(iii) and Federal Circuit Rule 32(b). This certificate was prepared in reliance on the word count of the word-processing system (Microsoft Word 2010) used to prepare this brief.

The undersigned further certifies that this brief complies with the typeface and type style requirements of Federal Rule of Appellate Procedure 32(a)(5) and (a)(6) because it has been prepared in a proportionally spaced typeface using Microsoft Word 2010 in 14-point Times New Roman font.

Dated: June 11, 2017

/s/ Burman Y. Mathis .
Burman Y. Mathis
Attorney for Amici Curiae