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American Axle: Is it Finally Time for The Supreme Court to Revisit § 101?

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On December 28, 2020, American Axle & Manufacturing, Inc. ("American Axle") filed a petition for writ of certiorari, seeking guidance from the Supreme Court regarding the appropriate standard for determining whether an invention is patent-eligible under 35 U.S.C. § 101. American Axle filed the petition after: (1) a panel of the Federal Circuit held that its claim for a method for manufacturing driveline propeller shafts – mechanical devices used in the automotive industry – is patent-ineligible, because the method is directed to the application of Hooke's law;[1] and (2) its petition for rehearing en banc was denied in an evenly-split decision, with half of the active Federal Circuit judges disagreeing with the panel's decision.[2]

American Axle's petition asks the Supreme Court to take up the following two questions:

1. What is the appropriate standard for determining whether a patent claim is "directed to" a patent-ineligible concept under the Court's two-step framework for § 101, set forth in its Alice and Mayo decisions?
2. Is patent eligibility a question of law, for the court, or a question of fact, for the jury?

While American Axle's petition was not the first to request further guidance from the Supreme Court concerning the § 101 precedent set forth in Alice and Mayo, it is unique in that the claim at issue in American Axle involves manufacturing processes for mechanical devices, which have traditionally been considered patent-eligible subject matter. As American Axle stated in its cert petition, "Section 101 has reached Detroit."

To date, the Supreme Court has received nine amicus briefs in support of granting American Axle's petition, and none against. These amicus briefs were filed by various legal organizations, including the New York City Bar Association and the New York and Houston Intellectual Property Law Associations, and by Senator Thom Tillis (ranking member of the Senate Committee on the Judiciary, Subcommittee on Intellectual Property), retired Federal Circuit Judge Paul Michel, and former Director of the U.S. Patent and Trademark Office, David Kappos, among others.

The amici express concern that the panel decision in American Axle could potentially be used to invalidate "all mechanical inventions," since such inventions necessarily implement a law of nature "at some level."[3] In support, the amici identify well-known inventions such as the Wright Brothers' "Flying-Machine" patent, Bell's "Telegraphy" patent, and Edison's "Light-bulb" patent, which, "although appropriately touted for over a century as being hallmarks of innovation, would nevertheless be invalidated under the Federal Circuit's misguided application of this Court's subject matter eligibility framework."[4] In addition, they warn that the panel's decision "will have a profound negative impact on patent practice and U.S. investment in research and development," and that letting the decision stand will "put broad categories of innovative technology in jeopardy," leading to a continued "decline in the

willingness of entrepreneurs and investors to rely on patents as the foundation for making investments."[5]

The general theme of the amicus briefing, however, is that the time has come for the Supreme Court to clarify its patent eligibility test, and to do so via American Axle's petition. For example:

- Amicus Alliance of U.S. Startups and Inventors for Jobs describes the panel decision as exemplifying "the extreme level of confusion that continues to dominate the judicial application of this Court's eligibility law."
- Amicus Biotechnology Innovation Organization warns that the panel decision "will likely create greater uncertainty and increased litigation," bringing "significant further harm to the nation's vital innovation ecosystem already reeling from the current level of uncertainty surrounding the Court's eligibility jurisprudence."'
- Amicus New York Intellectual Property Law Association describes the panel decision as an "ideal vehicle for the Court to alleviate the state of confusion concerning the law governing patent eligibility."
- Amicus Ameranth, Inc. refers to the panel decision as a "9-1-1 emergency call for help."
- Amici Tillis, Michel, and Kappos describe the Supreme Court's Alice test as having created "undue confusion and uncertainty in outcome-predictability in patent cases [that] has become so ubiquitous as to render the U.S. patent system unstable and unreliable at its core across a spectrum of industries including those upon which the United States depends for the good health and well-being of the citizenry and its national security." These three amici, "representing the perspectives of the three branches of government," argued that § 101 is "gravely damaging our country's ability to succeed in the race for global innovation leadership," and urged that "the solution to the dilemma lies with the Court taking up the American Axle case."

Takeaways

As expressed by numerous amici, the Federal Circuit's decision in American Axle has the potential to create further confusion and uncertainty for patent owners, practitioners, and the courts, in an area of patent law that is already fraught with confusion and uncertainty. American Axle's petition gives the Supreme Court the opportunity to provide more certainty, and less confusion, by clarifying the test for determining patent-eligible subject matter under § 101. A decision by the Supreme Court whether to take up American Axle's petition is presently expected later this year. In the meantime, patent owners and practitioners should expect an increase in the number of § 101 challenges, both in proceedings before the Patent Office and in the district courts.

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[1] Hooke's law is an equation that describes the relationship between an object's mass, its stiffness, and the frequency at which it vibrates. Notably, the claim at issue did not recite Hooke's law, itself, but rather what the majority of the panel referred to as an "application" of Hook's law. Further, Hooke's law was not mentioned by name or formula anywhere in the specification or prosecution history.
[2] See Am. Axle & Mfg. v. Neapco Holdings LLC, 967 F.3d 1285 (Fed. Cir. 2020) (modified decision following petition for rehearing); Am. Axle & Mfg. v. Neapco Holdings LLC, 996 F.3d 1347 (Fed. Cir. 2020) (decision on petition for rehearing).
[3] See Brief of Amicus Curiae Houston Intellectual Property Law Association.
[4] See Brief of the Chicago Patent Attorneys as Amici Curiae; Brief of Amicus Curiae Houston Intellectual Property Law Association.
[5] See Brief of Amicus Curiae Houston Intellectual Property Law Association; Brief of Amicus Curiae Ameranth, Inc.; Brief of Amicus Curiae Alliance of U.S. Startups & Inventors for Jobs ("USIJ").