

# No. 15-1180

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IN THE UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

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AMDOCS (ISRAEL) LIMITED,

*Plaintiff–Appellant,*

v.

OPENET TELECOM, INC., and OPENET TELECOM LTD.,

*Defendants–Appellees.*

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Appeal from the U.S. District Court for the  
Eastern District of Virginia, Case No. 1:10-cv-910

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**BRIEF OF *AMICI CURIAE* INTERNET ASSOCIATION  
AND COMPUTER & COMMUNICATIONS INDUSTRY  
ASSOCIATION IN SUPPORT OF REHEARING *EN BANC***

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Daryl L. Joseffer  
*Principal Attorney*  
Paul Alessio Mezzina  
KING & SPALDING LLP  
1700 Pennsylvania Ave. NW  
Washington, D.C. 20006  
Telephone: (202) 737-0500  
djoseffer@kslaw.com  
pmezzina@kslaw.com

*Counsel for Amici Curiae*

December 16, 2016

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## CERTIFICATE OF INTEREST

Counsel for *amici curiae* certifies the following:

1. The full name of the parties represented by me are the Internet Association and the Computer & Communications Industry Association.
2. The name of the real parties in interest represented by me are the Internet Association and the Computer & Communications Industry Association.
3. No publicly held company owns 10% or more of either *amicus's* stock.
4. The names of all firms and the partners or associates that appeared for the parties now represented by me in the trial court or are expected to appear in this Court are:

King & Spalding LLP: Daryl L. Joseffer; Paul Alessio Mezzina

/s/ Daryl L. Joseffer  
Daryl L. Joseffer

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## STATEMENT OF INTEREST

*Amici* are not-for-profit organizations representing America's leading Internet and technology companies. The Internet Association represents a broad cross-section of Internet companies who seek to protect and strengthen Internet freedom, promote innovation and economic growth, and empower users. The Computer & Communications Industry Association represents a wide range of companies in the computer, Internet, information technology, and telecommunications industries dedicated to innovation and enhancing society's access to information and communications. *Amici* are concerned that the panel majority's opinion will confuse patent-eligibility law and stifle innovation. They agree with petitioners that this Court should grant rehearing and clarify that a desired result, described at a high level of generality and without specifying a particular way of achieving that result, is not a patent-eligible inventive concept. *See, e.g.*, Pet. 12–13.<sup>1</sup>

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<sup>1</sup> All parties have consented to the filing of this brief. No party or party's counsel authored this brief in whole or in part, and no one other than *amici*, their members, and their counsel contributed money intended to fund the preparation or submission of this brief. Complete lists of *amici*'s members can be found at <https://internetassociation.org/our-members/> and <http://www.cciianet.org/about/members/>.

## ARGUMENT

### I. The Panel Opinion Conflicts With Precedent.

The panel majority assumed that the claims were directed to abstract ideas, but it held that they were patent-eligible because each contained an inventive concept—the concept of a “distributed architecture” for storing and processing network-usage data. Op. 4, 21, 27, 30, 32. It dismissed Judge Reyna’s objection that certain claims were framed at such a high level of generality that they contained no meaningful disclosure of “*how* that distributed architecture is applied.” Dis. 19. In doing so, it rejected the principle that “a desired goal . . . absent structural or procedural means for achieving that goal, is an abstract idea.” Op. 10–11 (quoting Dis. 6–7). It also suggested that the “difference between ‘means’ and ‘ends’” is relevant only to analysis of means-plus function claims under § 112(f) and that incorporating similar considerations in the patent-eligibility inquiry is “creative” but misguided. *Id.* at 11.

That was a significant and troubling departure from precedent of this Court and the Supreme Court. That precedent makes clear that the § 101 inquiry must focus on the claims themselves, *see* Pet. 7–8, and that, as Judge Reyna explained, “a desired goal (i.e., a ‘result or effect’), absent structural or procedural means for achieving that goal, is an ab-

stract idea” and “[c]laims that fail to recite how a desired goal is accomplished do not recite an inventive concept.” Dis. 6–7, 10. The majority undermined those principles by focusing on the specification and overlooking the functional, result-focused nature of the claims.

Section 101 allows a patent to issue only “for the means or method of producing a certain result, or effect, and not for the result or effect produced.” *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314 (Fed. Cir. 2016) (quoting *Diamond v. Diehr*, 450 U.S. 175, 182 n.7 (1981)). Patent-eligible claims are those that focus on “a specific means or method that improves the relevant technology,” as opposed to “a result or effect” accomplished using “generic processes and machinery.” *Id.*; see also *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1149 (Fed. Cir. 2016). As this Court recently reiterated, “a claim that merely describes an ‘effect or result dissociated from any method by which [it] is accomplished’ is not directed to patent-eligible subject matter.” *Apple, Inc. v. Ameranth, Inc.*, No. 15-1703, 2016 WL 6958650, at \*10 (Fed. Cir. Nov. 29, 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1348 (Fed. Cir. 2015)).



At step one of the patent-eligibility inquiry, this Court has considered claims to be directed to an abstract idea if they describe a “broad and familiar concept . . . untethered to any specific or concrete way of implementing it.” *Affinity Labs of Tex. v. DIRECTV, LLC*, 838 F.3d 1253, 1258 (Fed. Cir. 2016) (“*Affinity I*”) (claim describing “the function of wirelessly communicating regional broadcast content to an out-of-region recipient, not a particular way of performing that function,” was directed to an abstract idea); *see also Apple*, 2016 WL 6958650, at \*7 (claims that did “not claim a particular way of programming or designing the software . . . but instead merely claim[ed] the resulting systems” were directed to an abstract idea); *Affinity Labs of Tex. v. Amazon.com Inc.*, 838 F.3d 1266, 1269 (Fed. Cir. 2016) (“*Affinity II*”) (claims that did “no more than describe a desired function or outcome, without providing any limiting detail” were directed to an abstract idea).

At step two, an inventive concept cannot be a broad goal, function, or purpose; it must be a specific, technological means of accomplishing that goal, recited in the claims themselves. For example, *Internet Patents* held that a claim directed to the abstract idea of “retaining information in the navigation of online forms” lacked an inventive concept

because it “contain[ed] no restriction on how th[at] result [was] accomplished.” 790 F.3d at 1348. Similarly, *Intellectual Ventures I LLC v. Symantec Corp.* rejected a claim that was directed to the abstract idea of screening for computer viruses but did not “describ[e] a particular method of incorporating virus screening into the Internet.” 838 F.3d 1307, 1321 (Fed. Cir. 2016). And *In re TLI Communications LLC Patent Litigation* struck down claims that were directed to “the abstract idea of classifying and storing digital images in an organized manner” because they provided only “vague, functional descriptions” of the structures and processes for achieving that result. 823 F.3d 607, 615 (Fed. Cir. 2016). Many other decisions are similar.<sup>2</sup>

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<sup>2</sup> See, e.g., *Apple*, 2016 WL 6958650, at \*9–10 (no inventive concept in limitations that “call[ed] for the desired result” but did not “claim any method for achieving that result”); *Affinity II*, 838 F.3d at 1271–72 (no inventive concept where claims were “written in largely functional terms” and “features set forth in the claims [were] described and claimed generically rather than with the specificity necessary to show how those components provide a concrete solution”); *Digitech Image Techs., LLC v. Elecs. for Imaging, Inc.*, 758 F.3d 1344, 1351 (Fed. Cir. 2014) (rejecting claim for method of creating device profile in digital-image-processing system that was directed to an abstract “process of organizing information” and was “not tied to a specific structure or machine”); *Loyalty Conversion Sys. Corp. v. Am. Airlines, Inc.*, 66 F. Supp. 3d 829, 838 (E.D. Tex. 2014) (Bryson, J.) (no inventive concept in “purely functional limitation” that failed to “provide[] any detail as to how that function is performed”).

The requirement that the claims themselves describe not just a sought-after effect, but a specific, technological means of producing that effect, has been part of the patent-eligibility inquiry for centuries. In a groundbreaking decision, the Supreme Court rejected Samuel Morse’s patent claim covering “the use of . . . electro-magnetism, however developed[,] for marking or printing intelligible characters, signs, or letters, at any distances,” which was not limited to any “specific machinery.” *O’Reilly v. Morse*, 56 U.S. 62, 112 (1853). It held that Morse could not claim “an effect produced by the use of electro-magnetism distinct from the process or machinery necessary to produce it.” *Id.* at 120; *see also id.* at 113 (“If this claim can be maintained, it matters not by what process or machinery the result is accomplished.”).

The panel majority was wrong to dismiss *Morse* as involving “overbroad preemption of a natural law, not . . . an ‘abstract idea.’” Op. 12 n.4. The physical principles governing electromagnetism may be natural laws, but the notion of harnessing those principles to transmit messages was an abstract idea, because it described a result or effect “distinct from the process or machinery necessary to produce it.” *Morse*, 56 U.S. at 120; *see also id.* at 113 (explaining that no one could patent

the idea of using steam for certain “purpose[s]” or to produce certain “effects,” such as “propelling vessels,” “grind[ing] corn,” or “spin[ning] cotton”). This Court has recognized that Morse speaks to the patent-eligibility of abstract ideas. *See, e.g., McRO*, 837 F.3d at 1312.

That those considerations may also be pertinent to § 112(f) does not make them irrelevant under § 101. Courts have acknowledged that “the § 101 patent-eligibility inquiry . . . might sometimes overlap” with other provisions of the patent laws. *Synopsys*, 839 F.3d at 1151 (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1304 (2012); *see also Internet Patents*, 790 F.3d at 1347.

## **II. Correcting The Panel’s Error Is Important.**

The panel opinion threatens to undermine the vital principle that claims that purport to solve technological problems, but that speak in vague, functional generalities without disclosing a particular solution, do not satisfy § 101. Preserving that limitation on patent-eligible subject matter is especially important for computer-related inventions, which are especially important in our computer-age economy.

The majority correctly recognized that an inventive concept must be a “technological solution to a technological problem.” Op. 24. Broad,

functional patent claims, untethered to a particular way of solving a problem, necessarily fall short of that standard. Such claims identify the problem and claim the abstract idea of overcoming it, not a specific way of achieving that goal—thereby preempting particular solutions that the inventors themselves may never have contemplated. Because such claims do not limit themselves to a particular structure or procedure, they “claim everything and contribute nothing.” Mark A. Lemley *et al.*, *Life After Bilski*, 63 STAN. L. REV. 1315, 1338 (2011).

Such claims are antithetical to the fundamental bargain underlying the patent system. The patent laws must strike a balance between two equally important engines of innovation: they must reward *past* innovation by protecting investors’ rights in their specific technological solutions, while also promoting *future* innovation by protecting the public’s right to solve the same problems in better and more efficient ways. That is why those who disclose their inventions in a patent are entitled to exclusive rights commensurate with, but no broader than, their disclosures. *J.E.M. Ag Supply, Inc. v. Pioneer Hi-Bred Int’l, Inc.*, 534 U.S. 124, 142 (2001). The balance is disrupted when claims are deemed patent-eligible even though they “represent little more than functional de-

scriptions of objectives, rather than inventive solutions” for achieving those objectives. *Loyalty Conversion*, 66 F. Supp. 3d at 845.

Such claims are worryingly common in patents dealing with computers, software, and the Internet. *See, e.g., Apple*, 2016 WL 6958650, at \*7–10; *Symantec*, 838 F.3d at 1321; *TLI Commc’ns*, 823 F.3d at 615; *Internet Patents*, 790 F.3d at 1348; *Digitech*, 758 F.3d at 1351; *see also* Mark A. Lemley, *Software Patents and the Return of Functional Claiming*, 2013 Wis. L. Rev. 905, 907 (“[T]he software and Internet industries” have been beset by “a proliferation of patents with extremely broad claims.”). Courts have observed the increase in patents that, although “dressed up in the argot of invention, simply describe a problem, announce purely functional steps that purport to solve the problem, and recite standard computer operations to perform some of those steps.” *Loyalty Conversion*, 66 F. Supp. 3d at 845.

Those “abstract and sweeping” claims, *Digitech*, 758 F.3d at 1351 (quoting *Gottschalk v. Benson*, 409 U.S. 63, 68 (1972)), do little or nothing to advance computer technology. On the contrary, they inhibit the development of technology “by improperly tying up the future use” of the claimed concepts. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct.

2347, 2354 (2014). “[T]he underlying functional concern . . . is a *relative* one: how much future innovation is foreclosed relative to the contribution of the inventor”? *Mayo*, 132 S. Ct. at 1303. A claim that describes only a result or effect, and does not disclose or limit itself to a specific structure or procedure for achieving that result or effect, forecloses far more innovation than it contributes.

Requiring a “technological solution to a technological problem,” Op. 24, can help weed out the most problematic claims—but only if courts insist, as this Court has on many occasions, that the technological solution be described in the claims themselves with enough specificity so as not to prevent others from developing new technical means of pursuing the same general ends. The panel opinion casts doubt on that important principle and thus merits rehearing.<sup>3</sup>

## CONCLUSION

The Court should grant the petition for rehearing *en banc*.

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<sup>3</sup> Courts are already citing the panel opinion to uphold generic, functional claims, on the ground that “the specification . . . outlines concrete ways of accomplishing” those functions. *Verint Sys. Inc. v. Red Box Recorders Ltd.*, No. 14-cv-5403, 2016 WL 7156768, at \*12 (S.D.N.Y. 2016).

Respectfully submitted,

/s/ Daryl L. Joseffer  
Daryl L. Joseffer  
*Principal Attorney*  
Paul Alessio Mezzina  
KING & SPALDING LLP  
1700 Pennsylvania Ave. NW  
Washington, D.C. 20006  
Telephone: (202) 737-0500  
Facsimile: (202) 626-3737  
djoseffer@kslaw.com

*Counsel for Amici Curiae*

December 16, 2016



**CERTIFICATE OF SERVICE**

Pursuant to Federal Rule of Appellate Procedure 25 and Federal Circuit Rule 25, I certify that on December 16, 2016, I caused a copy of the foregoing document to be served electronically on all registered counsel through the Court's CM/ECF system.

/s/ Daryl L. Joseffer  
Daryl L. Joseffer