

No. 12-398

IN THE
Supreme Court of the United States

THE ASSOCIATION FOR MOLECULAR PATHOLOGY,
ET AL.,

Petitioners,

v.

MYRIAD GENETICS, INC., ET AL.,

Respondents.

**On Writ of Certiorari to the United States
Court of Appeals for the Federal Circuit**

**BRIEF FOR CLS BANK INTERNATIONAL
AS AMICUS CURIAE
IN SUPPORT OF NEITHER PARTY**

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TABLE OF CONTENTS

	<u>Page</u>
INTEREST OF AMICUS CURIAE.....	1
SUMMARY OF THE ARGUMENT	2
ARGUMENT	2
CONCLUSION	6

TABLE OF AUTHORITIES

	<u>Page(s)</u>
Cases	
<i>Bilski v. Kappos</i> , 130 S. Ct. 3218 (2010).....	1
<i>CLS Bank Int’l v. Alice Corp. Pty. Ltd.</i> , 768 F. Supp. 2d 221 (D.D.C. 2011).....	1
<i>CLS Bank Int’l v. Alice Corp. Pty. Ltd.</i> , 484 F. App’x 559 (Fed. Cir. 2012).....	1
<i>Diamond v. Chakrabarty</i> , 447 U.S. 303 (1980).....	2
<i>Diamond v. Diehr</i> , 450 U.S. 175 (1981).....	2, 3, 4
<i>Funk Bros. Seed. Co. v. Kalo Co.</i> , 333 U.S. 127 (1948).....	2, 3
<i>Gottschalk v. Benson</i> , 409 U.S. 63 (1972).....	4
<i>J.E.M. Ag Supply, Inc. v. Pioneer Hi-Bred Int’l, Inc.</i> , 534 U.S. 124 (2001).....	5
<i>Le Roy v. Tatham</i> , 55 U.S. (14 How.) 156 (1853).....	2, 3, 4
<i>Mayo Collaborative Servs. v. Prometheus Labs, Inc.</i> , 132 S. Ct. 1289 (2012).....	<i>passim</i>
<i>O’Reilly v. Morse</i> , 56 U.S. (15 How.) 62 (1853).....	4

<i>Parker v. Flook</i> , 437 U.S. 584 (1978).....	4, 5
<i>Rubber-Tip Pencil Co. v. Howard</i> , 87 U.S. (20 Wall.) 498 (1874)	3
<i>Ultramercial, LLC v. Hulu, LLC</i> , 657 F.3d 1323 (Fed. Cir. 2011).....	5
<i>Wildtangent, Inc. v. Ultramercial, LLC</i> , 132 S. Ct. 2431 (2012).....	5
Constitutional Provisions	
Art. I, § 8, cl. 8	2
Statutes	
35 U.S.C. § 101	1, 2, 6
Other Authorities	
Donald Chisum, Patents (2012).....	3
Donald Chisum, <i>Weeds and Seeds in the Supreme Court’s Business Method Patents Decision: New Directions for Regulating Patent Scope</i> , 15 Lewis & Clark L. Rev. 11 (2011)	3
Rules	
Supreme Court Rule 37.3(a)	1
Supreme Court Rule 37.6.....	1

INTEREST OF AMICUS CURIAE*

Chartered under the Federal Reserve Act, CLS Bank International (“CLS”) was established in the late 1990s by the international banking community, in cooperation with a number of central banks, to mitigate settlement risk in the foreign exchange market—the risk that one counterparty to a transaction will transfer its funds and the other will fail to do so—by ensuring that both parties have fulfilled their respective obligations before directing the exchange of currencies. CLS was accused of infringing four patents that, a district court ruled, claim only “abstract ideas” related to computer-implemented risk mitigation and thus are patent-ineligible under 35 U.S.C. § 101 as construed in *Bilski v. Kappos*, 130 S. Ct. 3218 (2010). *CLS Bank Int’l v. Alice Corp. Pty. Ltd.*, 768 F. Supp. 2d 221, 243-48 (D.D.C. 2011). The Federal Circuit is reviewing that decision *en banc*. See *CLS Bank Int’l v. Alice Corp. Pty. Ltd.*, 484 F. App’x 559 (Fed. Cir. 2012).

While this Court’s precedents have never suggested that the Section 101 inquiry is technology-dependent, some *amici* in the Federal Circuit appeal have argued that this Court’s patent-eligibility decisions in fields other than computer science—and, in particular, *Mayo Collaborative Services v. Prometheus Labs, Inc.*, 132 S. Ct. 1289 (2012)—do not apply

* Pursuant to Rule 37.6, *amicus* states that no counsel for any party authored this brief in whole or in part, and that no person or entity other than CLS or its counsel made a monetary contribution to the preparation or submission of this brief. The parties have consented to the filing of this brief and copies of their letters of consent have been lodged with the Clerk of the Court.

equally to computer-implemented methods. This case presents the Court with the opportunity to reaffirm that Section 101 mandates the same threshold inquiry regardless of whether a claim is drawn to a law of nature, natural phenomenon, or abstract idea.

SUMMARY OF THE ARGUMENT

The Court has treated laws of nature, natural phenomena, and abstract ideas as equivalently ineligible for patenting because they encompass the fundamental building blocks upon which scientific and industrial endeavors are based and thus must remain free for anyone to use. Indeed, there is no principled basis for distinguishing among them for purposes of determining patent-eligibility. The predictability and certainty of our unitary patent system would best be served by continuing to apply Section 101 the same to all patent claims.

ARGUMENT

This Court “has long held” that “[l]aws of nature, natural phenomena, and abstract ideas’ are not patentable.” *Mayo Collaborative Services v. Prometheus Labs, Inc.*, 132 S. Ct. 1289, 1293 (2012) (quoting *Diamond v. Diehr*, 450 U.S. 175, 185 (1981)). These are the building blocks of “Science and Useful Arts.” See *Diamond v. Chakrabarty*, 447 U.S. 303, 307 (1980) (quoting U.S. Const. art. I, § 8, cl. 8). “A principle, in the abstract, is a fundamental truth; an original cause; a motive; these cannot be patented, as no one can claim in either of them an exclusive right.” *Diehr*, 450 U.S. at 185 (quoting *Le Roy v. Tatham*, 55 U.S. (14 How.) 156, 175 (1853)). They must remain “free to all men and reserved exclusively to none.” *Funk Bros. Seed. Co. v. Kalo Co.*, 333 U.S. 127, 130 (1948). Section 101 thus obligates the

Judiciary to exercise a critical “screening function” to guard against patents that “foreclose[] more future invention than the underlying discovery could reasonably justify.” *Mayo*, 132 S. Ct. at 1301, 1303.

The Court’s approach to Section 101 creates “a single ‘exception’” to patent-eligibility focused on a uniform “exclusionary principle.” 1 Donald Chisum, Patents § 1.03[2][f] (2012) (quoting *Mayo*, 132 S. Ct. at 1293). To be sure, the Court has over time variously described the nature and number of the categories excluded from patent-eligibility. See Donald Chisum, *Weeds and Seeds in the Supreme Court’s Business Method Patents Decision: New Directions for Regulating Patent Scope*, 15 Lewis & Clark L. Rev. 11, 28-29 (2011) (tracing the history of this Court’s description of the exception to patent-eligibility). At no time, however, has the Court ever suggested that they differ substantively for purposes of analysis under Section 101.

Indeed, this Court has recognized that the labels used to describe patent-ineligibility may be interchangeable. For example, *Diehr* stated that a computer algorithm “is like a law of nature” at the same time as it noted that “[a]n idea of itself is not patentable.” 450 U.S. at 185-86 (quoting *Rubber-Tip Pencil Co. v. Howard*, 87 U.S. (20 Wall.) 498 (1874)). Natural phenomena too bear a close relation to the other categories: bacteria and other natural products are “manifestations of laws of nature.” *Funk Bros.*, 333 U.S. at 130. The recognition of this interrelationship goes back to the foundation of the patent-ineligibility doctrine. *Le Roy*, for example, involved the man-made principle of “steam power,” but the Court noted that “[t]he same” rationale for excluding that principle applied to “electricity” and “any other power in

nature.” 55 U.S. at 175; *see also O’Reilly v. Morse*, 56 U.S. (15 How.) 62, 114 (1853) (“so far as patentable rights are concerned,” steam power and electromagnetism “must stand on the same principles”).

Accordingly, this Court has historically treated ineligibility determinations as part of a single exclusionary doctrine. For example, *Mayo*, cited *O’Reilly*, *Diehr*, *Bilski*, *Gottschalk v. Benson*, 409 U.S. 63 (1972), and *Parker v. Flook*, 437 U.S. 584 (1978), for the proposition that a claim must contain an inventive concept, not mere post-solution activity or limitations to a technological environment. 132 S. Ct. at 1294. *Diehr* borrowed language from *Funk Bros.* and explicitly held that “the same principle” that governs claims to products of nature also applies to processes. 450 U.S. at 188 n.11. *Flook* held that “*Mackay Radio* and *Funk Bros.* point to the proper analysis in this case.” 437 U.S. at 591. And *Benson* drew its analysis from cases involving multiple technological environments. 409 U.S. at 67-71.

There is no principled basis under Section 101 for distinguishing between abstract ideas, laws of nature, and natural phenomena. They all share an underlying “functional concern” that “is a *relative* one: how much future innovation is foreclosed relative to the contribution of the inventor.” *Mayo*, 132 S. Ct. at 1303 (emphasis in original). Reflecting this concern, the Court has uniformly held that ineligible claims remain ineligible regardless of the addition of field of use limitations, limitations to a particular technological environment, or a “narrow and specific” application. *Id.* at 1297, 1301, 1303. Such limitations do not give the public “creative value” sufficient to justify the “future innovation” such a claim threatens to impede. *Id.* at 1303. They cannot “transform the na-

ture of the claim,” regardless of whether the claim is drawn to an abstract idea, natural phenomenon, or law of nature. *Id.* at 1297.

The Court has expressly recognized that abstract ideas, laws of nature, and natural phenomena are equivalent for purposes of Section 101 analysis: “[A]ppending conventional steps, specified at a high level of generality, to laws of nature, natural phenomena, *and* abstract ideas cannot make those laws, phenomena, *and* ideas patentable.” *Mayo*, 132 S. Ct. at 1300 (citation omitted; emphasis added); *see also*, e.g., *Flook*, 437 U.S. at 593. Significantly, this Court recently vacated a decision involving a computer-implemented method in light of *Mayo*, which involved claims directed to the application of a law of nature. *Ultramercial, LLC v. Hulu, LLC*, 657 F.3d 1323 (Fed. Cir. 2011), *vacated sub nom. Wildtangent, Inc. v. Ultramercial, LLC*, 132 S. Ct. 2431 (2012).

Congress enacted a unitary patent system in which the same “general rules must govern inventive activity in many different fields of human endeavor.” *Mayo*, 132 S. Ct. at 1305. Section 101 does not discriminate among different technological fields; it would make no sense to have one approach for computer-implemented methods, another for diagnostic methods, a third for isolated genetic material, and so forth. Such divergence would represent a sharp and unwarranted break from this Court’s Section 101 jurisprudence, and would frustrate the certainty and predictability that inventors, examiners, and courts all require. *Cf. J.E.M. Ag Supply, Inc. v. Pioneer Hi-Bred Int’l, Inc.*, 534 U.S. 124, 135 (2001) (Section 101 “is a dynamic provision designed to encompass new and unforeseen inventions”).

Section 101 applies the same regardless of whether the invention implicates a natural phenomenon, law of nature, or abstract idea. This Court should continue to apply a common framework in which *all* patent claims that do not contribute enough innovation to justify their patent monopoly fail to clear the Section 101 threshold. *Mayo*, 132 S. Ct. at 1299.

CONCLUSION

Regardless of whether the judgment is affirmed or reversed, the Court should confirm that 35 U.S.C. § 101 applies uniformly across technological fields.

Respectfully submitted.

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