

No. 24-

IN THE
Supreme Court of the United States

MILLER MENDEL, INC.,

Petitioner,

v.

CITY OF ANNA, TEXAS,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED
STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether the Federal Circuit in removing a duly appointed Article III judge from judicial duties for her refusal to submit to a mental health evaluation usurped the exclusive constitutional authority vested in Congress by the United States Constitution, which provides that federal judges may only be removed through the impeachment process, and if so, whether such an act undermines the impartiality and integrity of patent appeals adjudication by depriving the patent owner of a fair hearing before a duly constituted appellate panel?

2. Whether the Federal Circuit erred, contrary to this Court's precedent in *Carter v. Stanton*, 405 U.S. 669, 92 S. Ct. 1232, 31 L. Ed. 2d 569 (1972), and deepening a recognized split among the circuits, by allowing the lower court to circumvent the requirements of Rule 12(d) of the Federal Rules of Civil Procedure, which mandates that when matters outside the pleadings are presented in a motion to dismiss, the motion must be treated as one for summary judgment, thereby providing the plaintiff a fair opportunity to present responsive evidence and engage in the summary judgment process?

3. Whether the current judicial exception to patentability for abstract ideas for Section 101 of the Patent Act, which lacks a clear definition or objective criteria, allows courts to invalidate patents arbitrarily without factual development or evidentiary support, thus undermining the predictability and stability necessary for the patent system to function effectively?

4. Whether the Court should eliminate the judicial exception to patentability for abstract ideas given that it does not enjoy the historical provenance of the other, much older judicial exceptions, is in derogation of the 1952 Patent Act, has never been defined nor objective criteria provided, and has created great uncertainty and chaos in the courts, at the United States Patent and Trademark Office, and among patent owners and the business community?

CORPORATE DISCLOSURE STATEMENT

Petitioner Miller Mendel, Inc. is the exclusive licensee of the patent-in-suit, U.S. Patent No. 10,043,188 B2, which is owned by Tyler Miller. No parent or publicly held company owns 10% or more of the corporation's stock.

RELATED PROCEEDINGS

The following proceedings are directly related to the case within the meaning of Rule 14.1(b)(iii):

Miller Mendel, Inc. v. City of Anna, Texas, Case No. 2:21-cv-00445-JRG (E.D. Texas), order granting judgment on the pleadings entered on April 14, 2022 (the decision on appeal);

Miller Mendel, Inc. v. City of Anna, Texas, Case Nos. 2022-1753, 2022-1999 (Fed. Cir.), affirming District Court on July 18, 2024 (the decision on petition);

Miller Mendel, Inc. *et al.* v. City of Oklahoma City, et al., W.D. Oklahoma, Case No. 5:18-cv-00990;

Miller Mendel, Inc. v. Washington County, Oregon et al., D. Oregon, Case No. 3:21-cv-00168-SB;

Miller Mendel, Inc. v. Alaska State Troopers, et al., D. Alaska, Case No. 3:21-cv-00129-HRH; and

Guardian Alliance Technologies, Inc. v. Miller Mendel, Inc. and Tyler Miller, E.D. California, Case No. 2:22-cv-01390-WBS-AC.

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PETITION FOR CERTIORARI

Miller Mendel, Inc. (“Miller Mendel”) respectfully petitions for writ of certiorari to review the judgment of the Federal Circuit in this case.

OPINIONS BELOW

The Federal Circuit’s opinion (App. 1a) is reported at 107 F.4th 1345. The opinion of the District Court regarding motion to dismiss amended complaint (App. 21a) is available at 598 F. Supp. 3d 486.

JURISDICTION

The Federal Circuit entered judgment on July 18, 2024. This Court has jurisdiction pursuant to 28 U.S.C. § 1254(1).

STATUTORY PROVISION INVOLVED

Article I, Section 2 & Section 3, United States Constitution:

The House of Representatives shall chuse their Speaker and other Officers; and shall have the sole Power of Impeachment.

The Senate shall have the sole Power to try all Impeachments.

Judgment in Cases of Impeachment shall not extend further than to removal from Office, and disqualification to hold and enjoy any Office of honor, Trust or Profit under the United States:....

Article II, Section 4, United States Constitution:

The President, Vice President and all civil Officers of the United States, shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors.

Article III, Section 1, United States Constitution:

*** The Judges, both of the supreme and inferior Courts, shall hold their Offices during good Behaviour, and shall, at stated Times, receive for their Services, a Compensation, which shall not be diminished during their Continuance in Office.

Section 101 of Title 35 of the U.S. Code provides:

“Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.”

Rule 12(d) of the Federal Rules of Civil Procedure¹ provides:

“If, on a motion under Rule 12(b)(6) or 12(c), matters outside the pleadings are presented to and not excluded by the court, the motion must be treated as one for summary judgment under Rule 56. All parties must be given a reasonable opportunity to present all the material that is pertinent to the motion.”

INTRODUCTION

This petition presents an opportune vehicle for the Court to address urgent and unresolved questions at the intersection of constitutional law, procedural safeguards, and patent eligibility. The case raises three issues that are critical to maintaining the fair administration of justice in the federal judiciary and ensuring the proper application of patent law.

First, the constitutionality of co-equal judges, rather than Congress, effectively removing an Article III judge,² one of the most experienced and perceived patent friendly appellate judges on the Federal Circuit³ and who has been

1. Hereinafter reference to a rule of the Federal Rules of Civil Procedure shall be “Rule 12(____).”

2. “The oldest federal judge currently stands barred from hearing cases.” Jack Brake, “Effective Removal of Article III Judges: Case Suspensions and the Constitutional Limits of Judicial Self-Policing,” 91 U. CHI. L. REV. 1111, 1112 (2024).

3. “[T]he Federal Circuit’s most prolific dissenter”, and “the greatest ally to inventors with respect to [calling out] the

particularly critical of the Federal Circuit’s jurisprudence regarding “abstract ideas.”⁴ The numerous problems posed by this practice were identified and forewarned by Justice Douglas in *Chandler v. Jud. Council of Tenth Cir. of U. S.*, 398 U.S. 74, 136–37, 90 S. Ct. 1648, 1680–81, 26 L. Ed. 2d 100 (1970) (Douglas, J, dissenting)). The Judicial Councils Reform and Judicial Conduct and Disability Act of 1980 (“Judicial Disability Act”), 28 U.S.C. §§ 351-364, through which the co-equal judges removed the critical colleague, is in derogation of the Constitution, and has been the subject of scholarly criticism.⁵

ignorance of the CAFC, district courts, and at times even the Supreme Court.” Daryl Lim, “I Dissent: The Federal Circuit’s ‘Great Dissenter’, Her Influence on the Patent Dialogue, and Why It Matters,” 19 VANDERBILT J. OF ENT. & TECH. LAW (Summer 2017), Vol. 19, Iss. 4. “Many of her dissents have later gone on to become the law—either the *en banc* law from our court or spoken on high from the Supremes.” NYU School of Law, Law Women Alumna of the Year: Judge Pauline Newman <58, YouTube (Feb. 19, 2013) (“YouTube”).

4. See Eileen McDermott, “Newman Slams CAFC’s Flawed Eligibility Precedent in Dissent to 101 Loss for Realtime Data,” IP Watchdog (August 2, 2023), <https://tinyurl.com/mrxs49e4>; Lim, *supra*; YouTube, *supra*.

5. Lynn A. Baker, Unnecessary and Improper: The Judicial Councils Reform and Judicial Conduct and Disability Act of 1980, 94 YALE L.J. 1117, 1118 (1985) (“The Act violates the Constitution’s allocation of powers”); Donald E. Campbell, “Should the Rooster Guard the Henhouse: Evaluating the Judicial Conduct and Disability Act of 1980,” 28 MISS. C. L. REV. 381, 389–90 (2009) (“any disciplinary procedures less than impeachment are unconstitutional”); Irving R. Kaufman, “The Essence of Judicial Independence,” 80 COLUM. L. REV. 671, 671–72 (1980) (“A law that stops short of providing for removal may be no less destructive of the constitutional scheme if it destroys the capacity of federal courts to execute their fundamental responsibilities.”).

Second, the Federal Circuit approved, contrary to this Court’s decision in *Carter v. Stanton*, 405 U.S. 669, 92 S. Ct. 1232, 31 L. Ed. 2d 569 (1972), and exacerbating a recognized split in the circuits, the lower court circumventing the Rule 12(d) mandate that requires giving a plaintiff opportunity to present evidence and otherwise utilize the summary judgment procedure where an opposing party submits a motion to dismiss that includes matters outside the pleading. This is particularly pernicious in patent cases involving Section 101 because the *Alice/Mayo*⁶ framework involves factual development.

Third, the lack of objective criteria for the undefined abstract idea judicial exception to patent eligibility under Section 101 of the Patent Act leading to a two-prong problem: district court judges applying the *Alice/Mayo* framework generalizing claimed inventions under prong one to categorize them as abstract ideas that can then under prong two only be valid if factual material is provided showing inventive concept.⁷ The exception is in

6. *Alice Corp. Pty. v. CLS Bank Int’l*, 573 U.S. 208, 217, 134 S. Ct. 2347, 189 L. Ed. 2d 296 (2014) (“*Alice*”); *Mayo Collaborative Servs. v. Prometheus Lab’ys, Inc.*, 566 U.S. 66, 70-73, 132 S. Ct. 1289, 182 L. Ed. 2d 321 (2012) (“*Mayo*”). *Alice/Mayo* provides a two-step framework to analyze patent claim eligibility under Section 101. First, whether a patent claim is directed to an unpatentable law of nature, natural phenomenon, or abstract idea. *Alice*, 573 U.S. at 217. If so, Second, whether the claim nonetheless includes an “inventive concept.” *Id.* (quoting *Mayo*, 566 U.S. at 72, 78). If the elements involve well-understood, routine, and conventional activity previously engaged in by researchers in the field, they do not constitute an “inventive concept.” *Alice*, 573 U.S. 208, 255.

7. The “inventive concept” prong is itself a concerning judicial creation in derogation of the 1952 Patent Act. *Athena*

derogation of the 1952 Patent Act. It lacks the historical provenance enjoyed by the other two patentability judicial exceptions, laws of nature and natural phenomena. Combined with the chaos the abstract idea exception has created in the courts, at the United States Patent and Trademark Office (“USPTO”), and among patent owners and the business community, the current fraught state compels the Court to provide objective criteria or eliminate the exception altogether.

The questions presented address fundamental constitutional principles and touch upon the procedural fairness and substantive standards necessary for a functioning patent system. This Court’s review is essential to restore clarity and uniformity in the law, protect judicial independence, and ensure that the procedural and substantive rights of patent litigants are respected.

STATEMENT OF THE CASE

A. THE INVENTION AND BACKGROUND OF THE LITIGATION

Petitioner Miller Mendel, Inc. is the exclusive licensee of U.S. Patent No. 10,043,188 B2 (“the ‘188 Patent”). **Federal Circuit Court of Appeals Joint Appendix (“C.A.J.A.”) 466, 483.** The system automates and enhances the investigation process by, among other things, generating suggested reference lists based on an applicant’s residential address history, thereby addressing inefficiencies in conventional background check methods.

Diagnostics, Inc. v. Mayo Collaborative Servs., LLC, 927 F.3d 1333, 1371 (Fed. Cir. 2019) (O’Malley, J. dissenting).

See, inter alia, ‘188 Patent Specification, **C.A.J.A. 55, C.A.J.A. 117** (Col. 4), **C.A.J.A. 118-123**; ‘188 Patent Claim 1, **C.A.J.A. 123**. The system has experienced unprecedented success in the marketplace.⁸

The USPTO issued the ‘188 Patent after thoroughly examining the claims under the *Alice/Mayo* framework and finding the claimed invention to be more than a mere abstract idea.⁹

On December 2, 2021, Petitioner filed a lawsuit in the Eastern District of Texas against Respondent, the City of Anna, Texas, alleging infringement of claims 1, 5, and 15 of the ‘188 Patent.¹⁰ **C.A.J.A. 47-54, C.A.J.A. 466-472**. Respondent subsequently filed a motion for judgment on the pleadings, arguing that the claims were invalid as directed to an abstract idea under Section 101. **C.A.J.A. 127-161**. With its motion, Respondent introduced extrinsic evidence, including an evidentiary declaration from a

8. Petitioner’s eSOPH system, protected by the ‘188 Patent, is currently used by city, county, and state public safety agencies across the United States. **C.A.J.A. 483**. Since the first sale of an eSOPH system in December of 2011, over 40,000 pre-employment background investigations have been conducted using eSOPH. **C.A.J.A. 483**.

9. The experienced patent examiner determined the claim element (“generating a suggested referenced list of one or more law enforcement agencies based on an applicant residential address”) overcame the examiner’s Section 101/*Alice* rejection. *Notice of Allowability*, **C.A.J.A. 420-421**; **C.A.J.A. 410** (Miller Mendel addressing Section 101/*Alice* and the above claim element).

10. In patent law, it is the “claims” which define the invention. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005), *cert. denied* 546 US. 1170 (2006).

competitor's CEO. C.A.J.A. 153-154, 157-159; C.A.J.A. 437-465 (Biedinger Declaration and exhibit).

In opposing the motion, Petitioner argued that the City's filing violated Rule 12(d) by submitting an evidentiary declaration. C.A.J.A. 487-488, 500-502, 739-740, 764. Petitioner objected to the declaration submission was barred by Rule 12(d) and requested that the District Court exclude the declaration or follow the Rule 56 summary judgment procedure required by Rule 12(d).¹¹ *Id.*

B. PROCEDURAL IRREGULARITIES AND THE RULE 12(D) VIOLATION

The District Court did not exclude the declaration and used information that came directly from the declaration. App. 41a-42a (citing to Def. Motion, C.A.J.A. 158-159, citing to Biedinger Declaration C.A.J.A. 437-439). The court ruled against the Petitioner without converting the motion to one for summary judgment. This directly contradicted Rule 12(d), which mandates that when a court considers materials outside the pleadings in a motion to dismiss, it must treat the motion as one for summary judgment and allow the non-moving party a fair opportunity to present evidence in opposition.

The District Court did not notify Petitioner that it would not exclude the evidentiary submissions. The District Court disregarded the Rule 12(d) issue and

11. The Eastern District of Texas has detailed summary judgment procedures, none of which were followed. *See* Local Rule CV-56, <https://www.txed.uscourts.gov/?q=civil-rules>.

merely said in a footnote: “[T]he Court finds that it reaches the same conclusions and result, both when it does and when it does not consider the declarations or exhibits attached to the City’s Motion.” App. 43a.

Had the District Court notified Petitioner that it would not exclude the declaration, Petitioner would have, among other things, submitted declarations that (a) the subject matter to which Claim 1 was directed is not an “abstract idea” as those words are commonly understood, and (b) a combination of elements defining the matter claimed in Claim 1 recites an inventive concept which was not well-known, routine, or conventional to a PHOSITA at the time of the invention.¹² (Miller Mendel Principal Brief, *Miller Mendel, Inc. v. City of Anna, Texas*, USCA Fed. Cir. 2022-1753, 2022-1999, page 19 (hereinafter “Miller Mendel Principal Brief”)); (Plaintiff’s Reply to Defendant’s Response to Plaintiff’s Motion for Reconsideration, *Miller Mendel, Inc. v. City of Anna, Texas*, USDC E.D.Tx, 2;21-cv-00445-JRG, Dkt 55, page 4 (hereinafter “Plaintiff’s Reply”)).¹³

12. See 35 U.S.C. § 103 (“...person having ordinary skill in the art...”, i.e., A PHOSITA)..

13. Petitioner specifically proffered to the District Court:

Here, Plaintiff represents that, had the Court afforded Plaintiff the opportunity to depose the declarants and submit their own declarations and evidence, pursuant to Rule 56, Plaintiff would have presented evidence that (a) the subject matter to which Claim 1 was directed is not an “abstract idea” as those words are commonly understood, and (b) a combination of elements defining the matter claimed in Claim 1 recites an inventive concept which was not well-known,

In dismissing the claims, the District Court generically categorized the patent as being directed to the “abstract idea of performing a background check.” App. 40a. The District Court’s ruling erroneously assumed without any factual support that the claimed invention could be performed manually using pen and paper. App. 38a.

C. THE FEDERAL CIRCUIT’S ENDORSEMENT OF PROCEDURAL ERROR AND THE CONSTITUTIONAL IMPLICATIONS

Petitioner was further prejudiced on appeal by the effective removal of Judge Newman, the Federal Circuit’s most experienced and vocal critic of Section 101 jurisprudence.¹⁴ Judge Newman was removed from judicial duties under the Judicial Disability Act on September 20, 2023 for alleged misconduct for her refusal to submit to a mental health examination,¹⁵ despite the Constitution vesting exclusive authority to remove an Article III judge solely in Congress through the impeachment process. Her removal deprived Petitioner of the possibility of an impartial and fully constituted panel when the hearing was held on October 4, 2023. Without even having a chance

routine, or conventional to a PHOSITA at the time of the invention.

(Plaintiff’s Reply page 4).

14. *See supra* Notes 3 & 4.

15. *In re Complaint No. 23-90015*, Committee on Judicial Conduct and Disability of the Judicial Conference of the United States, C.C.D. No. 23-01, Proceeding in Review of the Order and Memorandum of the Judicial Council of Federal Circuit, J.C. No. FC-23-90015, Memorandum of Decision (February 7, 2024).

that the most experienced appellate patent judge, and one of the harshest critics of Section 101 jurisprudence, could participate, hear, and rule on the case, the artificially constituted panel affirmed the District Court's ruling. The court found no procedural error in the District Court's refusal to convert the motion to summary judgment even while not excluding the evidentiary declaration, thus approving circumvention of Rule 12(d). App. 8a. The court critically erred when it stated that Petitioner did not point to any evidence it would have provided if given the chance under Rule 56, App. 15a, yet Petitioner did exactly that. (Miller Mendel Principal Brief page 19); (Plaintiff's Reply, page 4); *see also supra* Note 13.

This case presents a critical opportunity for the Court to restore procedural fairness, uphold the constitutional safeguards protecting the judiciary, and clarify the standard for patent eligibility under Section 101.

REASONS FOR GRANTING THE PETITION

A. THE APPELLATE PANEL WAS UNCONSTITUTIONALLY CONSTITUTED PREJUDICING THE PETITIONER

The Federal Circuit's effective removal of a duly appointed Article III judge usurps powers exclusively reserved to Congress by the Constitution. The Judicial Disability Act, as applied in this case, allowed co-equal judges to sideline a judge known for her critical views on patent jurisprudence, particularly regarding the controversial abstract idea doctrine. This threatens to undermine judicial independence by permitting judges to silence dissenters, thereby depriving litigants of a fair hearing before a properly constituted appellate panel.

The Constitution entrusts the removal of Article III judges solely to Congress through the impeachment process, a mechanism specifically designed to ensure judicial independence. The Constitution's text is explicit: Article III judges "shall hold their Offices during good Behaviour" (U.S. Const., Art. III, § 1) and may only be removed by Congressional impeachment (*Id.* Art. I, §§ 2 & 3) for "Treason, Bribery, or other high Crimes and Misdemeanors" (*Id.*, Art. II, § 4). *See* Lynn A. Baker, "Unnecessary and Improper: The Judicial Councils Reform and Judicial Conduct and Disability Act of 1980," 94 *YALE L.J.* 1117 (1985).

The Judicial Disability Act permits judicial councils to exercise powers over Article III judges that conflict with the strict limitations imposed by the Constitution. By removing Judge Newman, the Federal Circuit deprived Petitioner of a fair hearing before a properly constituted panel. This manipulation of the appellate panel's composition is equivalent to removing unjustly a venireperson from a jury pool, fundamentally impairing the adjudicative process and denying the litigants their right to an unbiased tribunal. This effective removal is unconstitutional.

The constitutional infirmities of the Judicial Disability Act have long been a subject of scholarly criticism.

The Act violates the Constitution's allocation of powers by requiring the judicial councils and the Judicial Conference to exercise a power of scrutiny over their Article III colleagues which the Constitution promises that only Congress will exercise.

Baker, *supra*, at 1118; *see also* Jack Brake, “Effective Removal of Article III Judges: Case Suspensions and the Constitutional Limits of Judicial Self-Policing,” 91 U. CHI. L. REV. 1111, 1124 (2024); Donald E. Campbell, “Should the Rooster Guard the Henhouse: Evaluating the Judicial Conduct and Disability Act of 1980,” 28 MISS. C. L. REV. 381, 389–90 (2009) (“any disciplinary procedures less than impeachment are unconstitutional”); Irving R. Kaufman, “The Essence of Judicial Independence,” 80 COLUM. L. REV. 671, 671–72 (1980) (“A law that stops short of providing for removal may be no less destructive of the constitutional scheme if it destroys the capacity of federal courts to execute their fundamental responsibilities.”).

The implications extend far beyond this case. If left unaddressed, the Judicial Disability Act’s application here would set a dangerous precedent, enabling judicial councils to silence dissenting judges who may have unpopular views or who frequently challenge prevailing judicial philosophies. Such a precedent is antithetical to the Framers’ intent and the plain text, which aimed to secure an independent judiciary insulated from the influence and control of co-equal judges. *Chandler*, 398 U.S. at 136–37 (Douglas, J, dissenting).

Here, silencing the harshest critic of the appellate court’s abstract idea jurisprudence¹⁶ and removing her from participation for the foreseeable future, allows now unconstrained co-equal judges to opine without worry of Judge Newman critically addressing clear Section 101 errors in contemporaneous and near contemporaneous decisions. Petitioner was prejudiced in the same way that a defendant is prejudiced for an improper venireman dismissal---it removes the possibility of differing opinions,

16. See *supra* Notes 3 & 4.

arguments, and insight in deliberations. *See, e.g., Taylor v. Louisiana*, 419 U.S. 522, 528, 95 S. Ct. 692, 697, 42 L. Ed. 2d 690 (1975) (jury venire pool must be made up of reasonable cross-section of community); *Powers v. Ohio*, 499 U.S. 400, 409, 111 S. Ct. 1364, 1369, 113 L. Ed. 2d 411 (1991) (potential juror could not be excluded based on improper criteria: jury lists may not be drawn up by neutral procedures and then curtailed at other stages of the process); *Holland v. Illinois*, 493 U.S. 474, 480–81, 110 S. Ct. 803, 807, 107 L. Ed. 2d 905 (1990) (The fair cross section venire requirement assures a just process). Petitioner here did not get the benefit of having the potential of Judge Newman’s force on its panel, with her wisdom and insight, and steep criticism of current abstract idea jurisprudence. *See Chandler*, 398 U.S. at 136–37 (Douglas, J, dissenting)(“a particular judge’s emphasis may make a world of difference when it comes to rulings on evidence, the temper of the courtroom, the tolerance for a proffered defense, and the like.”). Judge Newman has frequently been the decisive factor in decisions, convincing a judge on her panel to vote with her opinion. A survey of opinions written by Judge Newman reveals at least ninety (90) had a divided panel, indicating Judge Newman persuaded one of her panel members to vote with her. Moreover, of those ninety (90), forty-eight (48) of such decisions are patent related cases.¹⁷ The benefit of her potential participation cannot be overstated.

17. Patent related opinions: *Abbott Laboratories v. Sandoz, Inc.*, 544 F.3d 1341 (Fed. Cir. 2008); *Integra Lifesciences I, Ltd. v. Merck KGaA*, 496 F.3d 1334 (Fed. Cir. 2007); *AFG Industries, Inc. v. Cardinal IG Co., Inc.* (Fed. Cir. 2007); *MPHJ Technology Investments, LLC v. Ricoh Americas Corporation*, 847 F.3d 1363 (Fed. Cir. 2017); *Lighting Ballast Control LLC v. Philips Electronics N.A. Corp.*, 744 F.3d 1272 (Fed. Cir. 2014); *Classen*

Immunotherapies, Inc. v. Biogen IDEC, 659 F.3d 1057 (Fed. Cir. 2011); Network Signatures, Inc. v. State Farm Mut. Auto. Ins. Co., 731 F.3d 1239 (Fed. Cir. 2013); In re Rosuvastatin Calcium Patent Litigation, 703 F.3d 511 (Fed. Cir. 2012); Scientific Plastic Products, Inc. v. Biotage AB, 766 F.3d 1355 (Fed. Cir. 2014); GlaxoSmithKline LLC v. Teva Pharmaceuticals USA, Inc., 976 F.3d 1347 (Fed. Cir. 2020); Ateliers de la Haute-Garonne v. Broetje Automation USA Inc., 717 F.3d 1351 (Fed. Cir. 2013); Ericsson Inc. v. Intellectual Ventures I LLC, 890 F.3d 1336 (Fed. Cir. 2018); Nature Simulation Systems Inc. v. Autodesk, Inc., 23 F.4th 1334 (Fed. Cir. 2022); Nature Simulation Systems Inc. v. Autodesk, Inc., 50 F.4th 1358 (Fed. Cir. 2022); Elcommerce.com, Inc. v. SAP AG, 745 F.3d 490 (Fed. Cir. 2014); Osram GmbH v. International Trade Com'n, 505 F.3d 1351 (Fed. Cir. 2007); In re Buszard, 504 F.3d 1364 (Fed. Cir. 2007); Hall v. Bed Bath & Beyond, Inc., 705 F.3d 1357 (Fed. Cir. 2013); In re Vaidyanathan, 381 F. Appx. 895 (Fed. Cir. 2010); Edwards Lifesciences AG v. CoreValve, Inc., 699 F.3d 1305 (Fed. Cir. 2013); Optium Corp. v. Emcore Corp., 603 F.3d 1313; Haber v. U.S., 846 F.2d 1379 (Fed. Cir. 1988).

Non patent related opinions: Wood-Ivey Systems Corp. v. U.S., 4 F.3d 961 (Fed. Cir. 1993); Texas American Oil Corporation, U.S. Department of Energy, 44F.3d 1557 (Fed. Cir. 1995); Navajo Nation v. United States, 263 F.3d 1325 (Fed. Cir. 2001); In re Hair Masters Services, Inc., 907 F.2d 157 (Fed. Cir. 1990); Del Mar Avionics, Inc. v. Quinton Instrument Co., 897 F.2d 539 (Fed. Cir. 1990); Raven Industries, Inc. v. Kelso, 62 F.3d 1433 (Fed. Cir. 1995); Franco v. Dep't Health Human Services, 852 F.2d 1292 (Fed. Cir. 1988); Egan v. Dep't of Navy, 802 F.2d 1563 (Fed. Cir. 1986); Maxima Corp. v. U.S., 847 F.2d 1549 (Fed. Cir. 1988); Anderson v. Dep't Justice, 43 F.3d 1485 (Fed. Cir. 1994); Chevron U.S.A. Inc. v. Mobil Producing Texas & New Mexico, 281 F.3d 1249 (Fed. Cir. 2002); Sweeney v. U.S. Postal Service, 159 F.3d 1342 (Fed. Cir. 1998); In re Shell Oil Company, 992 F.2d 1204 (Fed. Cir. 1993); PSI Energy, Inc. v. U.S., 411 F.3d 1347 (Fed. Cir. 2005); National Sur. Corp. v. U.S., 118 F.3d 1542 (Fed. Cir. 1997); Ford Motor Company v. U.S., 378 F.3d 1314 (Fed. Cir. 2004); Turner Const. Co., Inc. v. U.S., 367 F.3d 1319 (Fed. Cir. 2004); BASF Corp. v. U.S., 482 F.3d 1324 (Fed. Cir. 2007); Litzenberger v. OPM, 231 F.3d 1333 (Fed.

This Court should grant certiorari to address whether the Judicial Disability Act, as applied in this case, violates the Constitution by empowering co-equal judges to remove an Article III judge from office. This goes to the very heart of the separation of powers and the independence of the judiciary.

B. THE RULINGS BELOW VIOLATED RULE 12(D) AND CONFLICTED WITH THE DECISION OF THIS COURT IN *CARTER V. STANTON*, FURTHER EXACERBATING A SPLIT IN THE CIRCUITS.

Rule 12(d) serves a critical role in ensuring that parties are treated fairly when a party filing a motion to dismiss presents matters outside the pleadings. The rule

Cir. 2000); *Haber v. U.S.*, 831 F.2d 1051 (Fed. Cir. 1987); *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985); *Toquero v. Merit Systems Protection Bd.*, 982 F.2d 520 (Fed. Cir. 1993); *In re Bush Bros. & Co.*, 884 F.2d 569 (Fed. Cir. 1989); *Doty v. U.S.*, 53 F.3d 1244 (Fed. Cir. 1995); *Lariscey v. U.S.*, 861 F.2d 1267 (Fed. Cir. 1988); *Aerolineas Argentinas v. U.S.*, 77 F.3d 1564 (Fed. Cir. 1996); *Military Order of Purple Heart of USA v. Sec’y of VA*, 580 F.3d 1293 (Fed. Cir. 2009); *American Tel. & Tel. Co. v. U.S.*, 177 F.3d 1368 (Fed. Cir. 1999); *Slattery v. U.S.*, 635 F.3d 1298 (Fed. Cir. 2011); *Value Vinyls, Inc. v. U.S.*, 568 F.3d 1374 (Fed. Cir. 2009); *Harvey v. U.S. Postal Service*, 243 F.3d 565 (Fed. Cir. 2000); *States Roofing Corp. v. Winter*, 587 F.3d 1364 (Fed. Cir. 2009); *In re Nwogu*, 570 Fed.Appx. 919 (Fed. Cir. 2014); *Impresa Construzioni Geom. Domenico Garufi v. U.S.*, 531 F.3d 1367 (2008); *Carpenter v. Nicholson*, 452 F.3d 1379 (Fed. Cir. 2006); *Crane v. Dep’t of Air Force*, 20 Fed.Appx. 415 (Fed. Cir. 2007); *Slattery v. U.S.*, 590 F.3d 1345 (2010); *Slattery v. U.S.*, 583 F.3d 800 (2009); *Cole v. Merit Systems Protection Bd.*, 232 F.3d 910 (Fed. Cir. 2000); *Greenspan v. Dep’t VA*, 464 F.3d 1297 (Fed. Cir. 2006); *Rudisill v. McDonough*, 4 F.4th 1297 (Fed. Cir. 2021).

mandates that the court either exclude such evidence or convert the motion into one for summary judgment under Rule 56, thereby allowing the non-moving party an opportunity to present evidence and meaningfully oppose the motion. This procedural protection is not discretionary; it is a fundamental requirement designed to prevent courts from resolving factual disputes without a fully developed record.

Here, contrary to the decision in *Carter* and to the proper procedure,¹⁸ the District Court received and used matters outside the pleadings in a motion to dismiss yet failed to notify Petitioner and refused to convert the motion to one for summary judgment. The District Court considered and used extrinsic evidence, including a declaration and exhibit from a competitor's CEO. App. 41a-42a. Despite Petitioner's timely objection and requests to exclude the declaration or, alternatively, convert the motion to summary judgment, the District Court proceeded to rule on the motion without applying the summary judgment procedures mandated by Rule 12(d). This procedural shortcut denied Petitioner the opportunity to develop the record fully on key factual disputes, including whether the claimed invention was indeed "well-known, routine, and conventional." (Miller Mendel Principal Brief page 19); (Plaintiff's Reply, page 4);

18. The textbook proper procedure under *Carter* and Rule 12(d) is exemplified in *Villarreal v. JP Morgan Chase Bank, Nat'l Ass'n*, 2010 WL 11575588, (S.D. Tex. July 5, 2010). Matters had been presented outside the pleadings on a motion to dismiss. The judge determined not to exclude. He provided notice to all parties that he intended to treat the matter as one for summary judgment under Rule 56 and allowed them opportunity and extra time to supplement their briefings.

see also supra Note 13. The District Court’s sidestepping of Rule 12(d)’s mandate undermines the purpose of the rule rendering it without force. This denial of Petitioner’s right to present countervailing evidence deprived Petitioner of the procedural safeguards guaranteed by the Federal Rules. The Federal Circuit’s approval of this deviation from established procedural norms exacerbates an existing circuit split, thereby creating profound uncertainty in patent litigation.

1. The District Court’s “Ruling in the Alternative” Does Not Cure the Procedural Violation

The District Court improperly sidestepped the requirements of Rule 12(d) by asserting in a footnote that it would have reached the same conclusion even without considering the extrinsic evidence. App. 43a. This reasoning is flawed. Rule 12(d) admits of no such exception to its mandate, and the District Court notably does not say it would have ruled the same way had it been presented the evidence that Petitioner represented it would provide but was denied the opportunity to do so. (Miller Mendel Principal Brief page 19); (Plaintiff’s Reply, page 4); *see also supra* Note 13. Rule 12(d) exists precisely to ensure that procedural rights are not circumvented through such hypothetical justifications. This Court’s precedent in *Carter* is clear: If matters outside the pleadings are presented, the motion must be treated as one for summary judgment, and the procedural protections of Rule 56 must be observed. *Carter*, 405 U.S. at 671–72. The District Court’s footnote does not excuse its failure to adhere to this mandate, nor does it mitigate the prejudice suffered by Petitioner as a result of being denied an opportunity to develop the record. So too, when a district court bypasses

discovery, appellate rules do not permit the introduction of evidence (e.g., expert testimony, declarations of fact witnesses) that would plainly establish what was well understood at the time of the invention. *See* FED. R. APP. PRO. Rule 10.

2. The Circuit Split on Rule 12(d) Exacerbates the Problem

The circuits are deeply divided on how strictly to enforce the requirements of Rule 12(d), particularly regarding the notice given to parties when a motion to dismiss may be converted to a summary judgment motion. Some circuits enforce a strict notice requirement. Other circuits allow a more relaxed approach as long as notice is deemed “adequate under the circumstances.” The inconsistent application of Rule 12(d) creates a patchwork of procedural rules that results in disparate treatment of litigants based solely on geographic location.

This is critical here. Had the District Court notified Petitioner that the court was not going to exclude the extrinsic evidentiary declaration, Petitioner would have, as it clearly stated, provided contrary declarations directly on the issues of abstract idea and “inventive concept.” (Miller Mendel Principal Brief, page 19); (Plaintiff’s Reply, page 4); *see also* Note 13. Had the case been located in the Second, Fourth, or Eleventh Circuit such notice would have been mandatory.

The Second, Fourth and Eleventh Circuits impose a strict notice requirement when matters are presented outside the pleadings on a motion to dismiss, triggering Rule 12(d), i.e., the court must expressly notify the

nonmoving party that the motion is converted to a summary judgment motion. *See Chambers v. Time Warner, Inc.*, 282 F.3d 147, 153–54 (2d Cir. 2002) (conversion is “strictly enforced” and opposing party must be given “opportunity to conduct appropriate discovery and submit the additional supporting material contemplated by Rule 56,” citing *Carter v. Stanton*); *Johnson v. RAC Corp.*, 491 F.2d 510, 513–14 (4th Cir. 1974) (must give notice to parties where the court does not exclude matters outside the pleadings); *Jones v. Auto. Ins. Co. of Hartford, Conn.*, 917 F.2d 1528, 1532–33 (11th Cir. 1990) (strictly enforcing notice requirement when converting a motion to dismiss to a motion for summary judgment).

Other circuits, such as the First, Third, Fifth, Sixth, Seventh, Ninth, and Tenth appear to not apply strict standards of notice of conversion.¹⁹ *See Gulf Coast Bank & Tr. Co. v. Reder*, 355 F.3d 35, 38–39 (1st Cir. 2004) (explicit notice of the summary judgment procedure conversion not required); *Ordonez v. Yost*, 289 F. App’x 553, 554–55 (3d Cir. 2008) (no notice required where opponent was aware motion could be treated as one for summary judgment); *Guiles v. Tarrant Cnty. Bail Bond Bd.*, 456 F. App’x 485, 487 (5th Cir. 2012) (court need not give express notice that it intends to utilize the summary judgment process when it considers matters outside the pleadings on a motion to dismiss); *Wysocki v. Int’l Bus. Mach. Corp.*, 607 F.3d

19. Rule 56 previously required ten day notice, which some circuits also did not adhere to, was removed in 2010. Rule 56 itself clearly contemplates notice so the opposing party has the opportunity to submit contrary evidence. Rule 12(d) expressly provides that all parties, including the opposing party be given “reasonable opportunity to present all the material that is pertinent to the motion....”

1102, 1104–06 (6th Cir. 2010) (explicit notice of summary judgment procedure conversion not required); *United States v. Rogers Cartage Co.*, 794 F.3d 854, 861 (7th Cir. 2015) (lack of notice of conversion to summary judgment procedure does not require reversal); *Nichols v. United States*, 796 F.2d 361, 364 (10th Cir. 1986) (requiring notice, but finding it unnecessary where the opposing party submits its own extrinsic material). The Ninth Circuit in, *Garoux v. Pulley*, 739 F.2d 437, 438–39 (9th Cir. 1984), while holding express notice is not required, specifically examined, and addressed the clear split in the circuits on the issue. *Id.* at 438-39. This uncertain patchwork begs for redress.

3. The Inconsistency In Application Of Rule 12(d) Between The Circuits Is Particularly Damaging To Section 101 Patent Cases

The undermining of Rule 12(d) and circuit split are particularly pernicious in patent cases involving the abstract ideas because the *Alice/Mayo* framework may necessitate factual development but depending on the circuit in which the case arises a different law applies to Rule 12(d) when an opposing party submits matters outside the pleadings that the district court does not exclude. While the decision in *Carter* is clear, circuits vary widely with some circuits even allowing (a) the summary judgment procedure to be used without actual notice to the opposing party, or (b) as happened here, the evidence not excluded and the District Court not using the summary procedure at all, directly in conflict with *Carter*.

The is uniquely damaging in patent cases because the Federal Circuit applies the law of the circuit where

the case is located. *See RF Del., Inc. v. Pac. Keystone Techs., Inc.*, 326 F.3d 1255, 1261 (Fed. Cir. 2003). Without factual development, especially once extrinsic evidence it introduced, how else may a court learn what is “well-understood, routine, conventional activit[ies]’ previously known to the industry”? *Alice*, 573 U.S. at 225 (quoting *Mayo*, 132 S.Ct. at 1294). Yet where a defendant files a motion to dismiss with extrinsic evidence directed to the *Alice/Mayo* framework, as Respondent did here, it is particularly arbitrary and capricious that the notice and opportunity to present countervailing evidence is wholly dependent upon which circuit the district court lies in.

Here, the District Court took the inconsistency of Rule 12(d) practice to the extreme. In the various circuit split decisions the issue is usually that the court did not exclude matters outside the pleadings, used the summary judgment standard, but failed to provide notice of intent to do so. While clearly contrary to Rule 12(d), some circuits allowed that by ruling that the opponent should have known that use of summary judgment procedure was a possibility. *See, e.g., Ordonez v. Yost*, 289 F. App’x 553, 554–55 (3d Cir. 2008) (no notice required where opponent was aware motion could be treated as one for summary judgment). Here, the District Court did not exclude matters outside the pleadings, did not provide any notice, but did not use the summary judgment procedure either. App. B. Thus, this case is the perfect vehicle for the Court to set the circuit’s straight that they must adhere the express mandatory language in Rule 12(d) as clearly stated in *Carter*.

4. The Need for Supreme Court Intervention to Restore Procedural Fairness

The procedural irregularities in this case reflect a broader issue in Section 101 jurisprudence: the lack of consistency in how courts handle patent eligibility determinations at the pleading stage. There is a pressing need for uniform procedural rules that ensure all litigants are afforded a fair opportunity to present evidence on factual issues relevant to patent eligibility.

This Court should grant certiorari to clarify the application of Rule 12(d), ensure uniformity in its enforcement across all federal courts, and reaffirm the procedural rights of litigants. The irregularities in this case, coupled with the need for factual development in Section 101 eligibility determinations, make it an ideal vehicle for this Court to address these issues and restore adherence to the principles of fair process. By providing guidance on the proper application of Rule 12(d) in the context of Section 101 disputes, this Court can help restore predictability and fairness to the patent system and ensure courts base eligibility determinations on fully developed factual records.

C. THE ABSTRACT IDEA JUDICIAL EXCEPTION LACKS OBJECTIVE CRITERIA, CAUSING CONFUSION AND UNPREDICTABILITY

The judicial exception for abstract ideas under Section 101 of the Patent Act is a source of profound confusion and unpredictability due to the absence of a clear definition or objective criteria for determining what constitutes an “abstract idea.” The application of this exception has led to

inconsistent rulings across lower courts, destabilizing the patent system and undermining the ability of inventors, businesses, and the public to rely on predictable patent protections. The resulting uncertainty not only affects the parties directly involved in patent litigation but also stifles innovation and disrupts economic decision-making on a national scale. This case exemplifies the pressing need for this Court to clarify the boundaries of the abstract idea exception to restore coherence to patent law.

The current state of patent eligibility jurisprudence is a “definitional morass.” The abstract idea judicial exception remains an undefined, amorphous concept that has led to inconsistent and unpredictable application by lower courts. This Court has never defined nor provided objective criteria for what constitutes an abstract idea. *See Interval Licensing, LLC v. AOL, Inc. et al.*, 896 F.3d 1335, 1350 (Fed. Cir. 2018) (Plager, J., concurring-in-part and dissenting-in-part) (“a search for a definition of ‘abstract ideas’ in the cases on § 101 from the Supreme Court, as well as from this court, reveals that there is no single, succinct, usable definition anywhere available.”). The “incoherent body of doctrine” renders it “near impossible to know with any certainty whether the invention is or is not patent eligible.” *Id.* at 1348. The “inconsistency and unpredictability of adjudication” extend to “all fields.” *Yu v. Apple Inc.*, 1 F.4th 1040, 1049 (Fed. Cir. 2021) (Newman, J., dissenting). “The need for judicial provision of stable and comprehensible patent law is of increasing urgency.” *Am. Axle & Mfg., Inc. v. Neapco Holdings LLC*, 966 F.3d 1347, 1361 (Fed. Cir. 2020) (Newman, J., dissenting). Section 101 cases are a “litigation gamble.” *Id.*

This case exemplifies the problem. The District Court broadly categorized a detailed software-based invention as an abstract idea based on nothing more than unsupported generalizations, without factual development. The lack of clear criteria for identifying abstract ideas leaves the lower courts, patent holders, and inventors in a state of confusion, stifling innovation and undermining the patent system.²⁰

1. The Abstract Idea Judicial Exception to Section 101 Patentability Is Significantly Different, and Much More Recent, Than the Natural Phenomena and Laws Of Nature Exceptions,

The judicial exceptions to Section 101—laws of nature, natural phenomena, and abstract ideas—are intended to guard against the monopolization of basic tools of scientific and technological work. *Mayo*, 566 U.S. at 70. However, without a clear definition, or clear objective criteria, for what constitutes an abstract idea the courts have increasingly invalidated patents that, like the ‘188 Patent, clearly present concrete technological innovations.

There are differences in history between this Court’s jurisprudence of abstract ideas, on one hand, and laws of nature and natural phenomena, on the other. The laws of nature and natural phenomena judicial exceptions date back to the 1850s. *See Le Roy v. Tatham*, 63 U.S. 132, 22 How 132, 16 L.Ed. 366 (1859); *O’Reilly v. Morse*, 56 U.S. 62, 14 L.Ed. 601, 15 How. 62 (1854). However, *the first time* the term “abstract idea” entered the Court’s lexicon for judicial exceptions to patentability was in 1978 in *Parker v.*

20. *See infra* Reasons for Granting Petition, Section C.2.

Flook, 437 U.S. 584, 98 S. Ct. 2522, 2529–30, 57 L. Ed. 2d 451 (1978), where it was mentioned in passing in the dissent. *Parker*, 437 U.S. at 598 (Stewart, J, dissenting).²¹ While the decision in *Le Roy* referenced “abstract philosophical principle,” it made that reference in relation to “any law of nature or any property of matter” and dealt with a “newly-discovered property in metal”, lead, not an “abstract idea.” *Le Roy*, 63 U.S. at 137. Similarly, the decision in *O’Reilly*, referenced “a principle or an abstraction,” but it made that in reference to whether a claim that covered all uses of electromagnetic transmission was too broad, and did not deal with abstract ideas but instead electromagnetism which is a law of nature. *O’Reilly*, 56 U.S. at 61. Other than in cases of pure mathematical formulas, e.g., *Gottschalk* and *Parker*, no decision of this Court relied solely on the abstract idea exception until the 2010 decision in *Bilski v. Kappos*, 561 U.S. 593, 130 S. Ct. 3218, 177 L. Ed. 2d 792 (2010) (commodity transaction risk mediation). Since then, courts have struggled to apply the abstract idea exception in a consistent manner. The courts below in this case exemplify the problem by reducing the claimed invention to a generalized notion of “background checks,”

21. See, e.g., *Le Roy v. Tatham*, 55 U.S. 156, 14 L.Ed. 367, 14 How. 156, 175 (1853) (property of lead); *O’Reilly v. Morse*, 56 U.S. 62, 14 L.Ed. 601, 15 How. 62, 112-121 (1854) (electricity transmission); *Rubber-Tip Pencil Co. v. Howard*, 87 U.S. 498, 22 L.Ed. 410, 20 Wall. 498, 507 (1874) (elasticity of rubber); *Tilghman v. Proctor*, 102 U. S. 707, 26 L.Ed.279, 12 Otto 707 (1881) (chemical process); *Mackay Radio & Telegraph Co. v. Radio Corp. of America*, 306 U. S. 86, 94, 59 S.Ct. 427, 83 L.Ed. 506 (1939)(wire lengths); *Funk Bros. Seed Co. v. Kalo Co.*, 333 U. S. 127, 130, 68 S.Ct. 440, 92 L.Ed.588 (1948) (properties of bacteria); *Gottschalk v. Benson*, 409 U.S. 63, 93 S. Ct. 253, 34 L. Ed. 2d 273 (1972) (mathematical formula).

ignoring the specific technological improvements recited in the claims.

The difference in progeny means the abstract idea judicial exception should be viewed differently from laws of nature and natural phenomena. The laws of nature and natural phenomena judicial exceptions predate the 1952 Patent Act by almost 100 years. The abstract idea judicial exception, however, was made much later, after the 1952 Patent Act, and in direct derogation of the express language of Section 101. Where Congress has created statutory exceptions to statutory provisions (such as Patent Act Sections 102 and 103 exceptions to patentability), further exceptions should not be inferred nor created. *See United States v. Smith*, 499 U.S. 160, 167, 111 S. Ct. 1180, 1185, 113 L. Ed. 2d 134 (1991). So too, laws of nature and natural phenomena exceptions have not created the chaos, ambiguity, confusion, and lack of direction that surrounds the undefined abstract idea judicial exception.

One of the significant problems with a judicial exception is that the rules of statutory construction do not apply. How is the term “abstract idea” to be construed? Had Congress enacted the abstract idea exception the course would be clear. “In patent law, as in all statutory construction, ‘[u]nless otherwise defined, ‘words will be interpreted as taking their ordinary, contemporary, common meaning.’” *Diamond v. Diehr*, 450 US 175, 182, 101 S.Ct. 1048, 67 L.Ed. 2d 155 (1981) (quoting *Perrin v. United States*, 444 U.S. 37, 42, 100 S.Ct. 311, 314, 62 L.Ed.2d 199 (1979)). Thus, were that the case, in common parlance an abstract idea “describe[s] things that exist as ideas, feelings, or qualities, rather than material

objects,”²² “is one that lacks concrete physical details, things you cannot touch but that you know exist;”²³ is “an idea separated from a complex object, or from other ideas which naturally accompany it; as the solidity of marble when contemplated apart from its color or figure.”²⁴ The Google dictionary definition of “abstract” is “existing in thought or as an idea but not having a physical or concrete existence.”

2. The Lack of Objective Criteria Has Rendered Section 101 Jurisprudence Unworkable

Without a definition of abstract idea or objective criteria therefore, how exactly is a court to determine under the first prong whether a patent claim is directed to an unpatentable abstract idea? It invites lower courts, almost wholly non-technical, to broadly categorize detail rich software patent claims to determine they are directed to an abstract idea (which is undefined). Even the most ardent anti-patent campaigner must concede that every patent in the world, certainly every software patent, can be generically and broadly defined so as to be unpatentable. Indeed, scholars have pointed that out on numerous occasions.²⁵

22. <https://dictionary.cambridge.org/us/thesaurus/articles/abstract-ideas>

23. <https://linguaholic.com/linguablog/abstract-ideas-meaning-examples/>

24. <https://www.thefreedictionary.com/An+abstract+idea>.

25. Adam Mossoff, “A Brief History of Software Patents (and Why They’re Valid),” 56 ARIZ. L. REV. SYLLABUS 65, 71 (2014) (reducing an internal combustion engine to an application of the

Objective application of patent law drives certainty for patent owners, courts, defendants, and patent office examiners.²⁶ Economic decision and budget constraints all rely upon objective rational expectations with respect to patents. The law as it relates to the abstract idea portion of the judicial exceptions to Section 101 of the Patent Act patent eligibility, however, undermines that rational

laws of thermodynamics). *See also* Michael Risch, “Nothing is Patentable,” 67 FLORIDA L. REV. F. 45, 51–52 (2015) (casting doubt on this country’s most famous patented inventions—including the cotton gin (U.S. Patent No. X72), electric motor (U.S. Patent No. 132), and Thomas Edison’s light bulb (U.S. Patent No. 223,898)).

26. The Court’s section 101 decisions have “caused uncertainty caused uncertainty in this area of the law”; have made it difficult for “inventors, businesses, and other patent stakeholders to reliably and predictably determine what subject matter is patent eligible”; and “poses unique challenges for the USPTO” itself. *2019 Revised Patent Subject Matter Eligibility Guidance*, 84 Fed. Reg. 50, 52 (Jan. 7, 2019). “The “real world” adverse consequences of Section 101 uncertainty impact the incentive to innovate and to invest in new technology frontiers....” Brief of United States Senator Thom Tillis, Honorable Paul R. Michel, and Honorable David J. Kappos, *as Amicus Curiae, American Axle & Manufacturing, Inc. v. Neapco Holdings*, Supreme Court Case No. 20, 891, p. 3. *See also* Mark F. Schultz, “The Importance of an Effective and Reliable Patent System to Investment in Critical Technologies,” ALLIANCE OF U.S. STARTUPS AND INVENTORS FOR JOBS (July 2020), at pp. 1-8 (extensive evidence demonstrates the detrimental impact on the incentive to innovate, and the willingness to invest in “breakthrough technologies that change the world,” due to Section 101 uncertainty); David O. Taylor, “Patent Eligibility and Investment,” 41 CARDOZO LAW REVIEW 2019 (2020).

expectation.²⁷ While its much older judicial exception sisters, laws of nature and natural phenomena, have long been understood to be used in their everyday common parlance, and use objective analysis and criteria, abstract ideas provide no such clarity. The lack of objective criterion leaves courts, patentees, defendants, and examiners in a state of chaos, with decisions lacking such objective criteria, necessarily arbitrary and capricious.

Commentators, jurists, and former patent office commissioners all declaim the state of the law. As the Honorable Paul R. Michel (ret.) testified:

In my view, recent cases are unclear, inconsistent with one another and confusing. ... If I, as a judge with 22 years of experience deciding patent cases on the Federal Circuit's bench, cannot predict outcomes based on case law, how can we expect patent examiners, trial judges, inventors and investors to do so?

The State Of Patent Eligibility In America: Hearing Before the United States Senate Subcomm. on Intellectual Property, Comm. on the Judiciary, 116th Cong. (119) (June 4, 2019, Hearing Transcript of Oral Testimony of Judge Paul R. Michel (Ret.) United States Court of Appeals for the Federal Circuit at Hr'g Tr. p. 352). The courts and the USPTO are “spinning their wheels on

27. Section 101 jurisprudence “ha[s] created significant uncertainty,” which has “reduced investment in new technologies, produced inconsistency and uncertainty about patent rights and their enforceability, cast a cloud over licensing and other intellectual property transactions, and driven industry to foreign jurisdictions.” *State of Patent Eligibility*, Part II, at 2, <https://bit.ly/34qWved> (testimony of Barbara Fiacco, AIPLA President).

decisions that are irreconcilable, incoherent, and against our national interest.” *State of Patent Eligibility*, Part I, at 1–2 (Former USPTO Director David Kappos), <https://bit.ly/34rNIIS>.

The United States Government itself has begged this Court to step in and clarify the current state of chaos, describing the Federal Circuit as “fractured” where every Federal Circuit judge has this Court to step in. Brief for the United States as Amicus Curiae, *American Axle & Manufacturing, Inc. v. Neapco Holdings*, Supreme Court Docket No. 20-891, pp. 1, 19, 20. “[I]t is a court bitterly divided.” *Am. Axle & Mfg., Inc. v. Neapco Holdings LLC*, 977 F.3d 1379, 1382 (Fed. Cir. 2020) (Moore, J., concurring in denial of motion to stay).

The undue confusion and uncertainty in outcome-predictability in patent cases 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.

Brief of United States Senator Thom Tillis, Honorable Paul R. Michel, and Honorable David J. Kappos, as Amicus Curiae, *American Axle & Manufacturing, Inc. v. Neapco Holdings*, Supreme Court Case No. 20, 891, pp. 2-3

Former USPTO Director Andrei Iancu declared patent eligibility as “the most important substantive patent law issue in the United States today. And it’s not even close.” Ryan Davis, “Courts Can Resolve Patent

Eligibility Problems, Iancu Says,” Law360 (Apr. 11, 2019), <https://bit.ly/34o6DV2>. His pleas echo those of former USPTO director David Kappos: “patent eligibility law truly is a mess” with courts and the USPTO “spinning their wheels on decisions that are irreconcilable, incoherent, and against our national interest.” *State of Patent Eligibility*, Part I, at 1–2, <https://bit.ly/34rNIIS>. Professor Mark Lemley (Stanford) likewise observed that “[t]he law of patentable subject matter is a mess” and only getting “less, not more, certain over time.” *State of Patent Eligibility*, Part I, at 1–2, <https://bit.ly/3nx0b5n>.

This case presents the opportune time for this Court to provide much needed clarification.

3. The Lower Court’s Misapplication Of The Abstract Idea Judicial Exception Exemplifies The Need For Either Abolition Or Objective Criteria

The ruling below perfectly exemplifies the problem with the abstract idea judicial exception. It is not possible for the District Court to have found the City presented clear and convincing evidence that Claim 1 of the ‘188 Patent was directed to an abstract idea. No criteria for doing so exists. The lower court did not cite any record evidence that the subject matter of Claim 1 is an abstract idea, nor what test it used. Without a factual recitation, without an articulation of the standard used, it is an arbitrary and capricious determination that will vary widely from judge to judge.

The “claimed” invention of Claim 1 of the ‘188 Patent is at a minimum directed to system for conducting

background checks and automatically generating law enforcement reference lists based on residential address. Yet the court below ruled that Claim 1 was merely directed to “the abstract idea of performing a background check.” App. 40a. This does not take into account the claim language that the USPTO specifically examined under the *Alice/Mayo* framework and determined to be inventive and not abstract.²⁸

The District Court supported its conclusion by ruling that the claims “alone and in combination, could all be completed by the human mind. A pen and paper version of the claimed method would not be particularly efficient, but it could be completed.” App. 38a. But there was no factual support in the record for the finding that the elements of Claim 1 could be completed solely by the human mind, or by a pen and paper, much less admissible clear and convincing evidence. Automatic generation of law enforcement reference lists based on residential address ***cannot be done*** in the mind or by pen and paper.²⁹ It is concrete, not abstract.

28. *See supra* Note 9.

29. Law enforcement applicants come from anywhere. How is a Texas city to find on a printed map all the law enforcement agencies, potential references, for applicants from Mississippi, North Dakota, Japan, or any other place an applicant may have lived? No city has a printed map for every country, and every county for every state. The city would have to pore over each map in the hopes of spotting every law enforcement agency, but even that would not give contact addresses for reference checks. Critically, printed maps do not typically call out every law enforcement agency. The ‘188 Patent concretely provides something that cannot be done by map and pen.

Had the lower courts here utilized the “common understanding” of abstract idea the claims would have easily survived challenge. Not a single one of “common” understandings of the term abstract idea describe the subject matter of Claim 1 of the ‘188 Patent. The claimed invention is not a law of physics or mathematical equation. It is not a mental exercise. It does not count “the number of angels who can dance on the head of a pin.”³⁰ It is not an algorithm,” like in *Parker, id.*, and *Gottschalk v. Benson*. It is not within the ordinary meaning of “abstract idea.”

30. Thomas Aquinas’s *Summa Theologica*: “Can several angels be in the same place?”

CONCLUSION

This case presents an opportune vehicle for the Court to address pressing constitutional, procedural, and substantive issues that are critical to the fair administration of justice and the integrity of the patent system. Granting certiorari would not only resolve the critical constitutional question concerning the removal of an Article III judge but would also provide an opportunity for the Court to clarify the proper application of Rule 12(d) and establish much-needed standards for evaluating patent eligibility under Section 101. These issues are not merely technical or procedural; they go to the heart of the rule of law and the stability of the patent system, with far-reaching implications for the innovation economy and the fair administration of justice.

For these reasons, Petitioner respectfully requests that this Court grant the writ of certiorari.

Respectfully submitted,

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**APPENDIX A — OPINION OF THE UNITED
STATES COURT OF APPEALS FOR THE
FEDERAL CIRCUIT, FILED JULY 18, 2024**

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

2022-1753, 2022-1999

MILLER MENDEL, INC.,

Plaintiff-Appellant,

v.

CITY OF ANNA, TEXAS,

Defendant-Cross-Appellant.

Decided: July 18, 2024

Appeals from the United States District Court for the
Eastern District of Texas in No. 2:21-cv-00445-JRG,
Chief Judge J. Rodney Gilstrap.

Before MOORE, *Chief Judge*, STOLL and CUNNINGHAM,
Circuit Judges.

CUNNINGHAM, *Circuit Judge.*

Miller Mendel, Inc. (“Miller Mendel”) sued the City of Anna, Texas (“City”) for infringement of certain patent claims relating to a software system for managing pre-employment background investigations. The United States

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District Court for the Eastern District of Texas granted City’s motion for judgment on the pleadings, concluding that the asserted claims¹ do not claim patent-eligible subject matter under 35 U.S.C. § 101. *Miller Mendel, Inc. v. City of Anna*, 598 F. Supp. 3d 486, 499 (E.D. Tex. 2022) (“*Rule 12(c) Decision*”). The district court also denied City’s motion for attorneys’ fees. *Miller Mendel, Inc. v. City of Anna*, No. 2:21-CV-00445-JRG, 2022 WL 2704790 (E.D. Tex. June 13, 2022) (“*Attorneys’ Fees Order*”). For the reasons below, we affirm.

I. BACKGROUND

On December 2, 2021, Miller Mendel sued City, alleging that the City police department’s use of the Guardian Alliance Technologies (“GAT”) software platform infringes “at least Claims 1, 5, and 15” of U.S. Patent No. 10,043,188. *Rule 12(c) Decision* at 488; J.A. 468-69 ¶ 12 (Amended Complaint). The ’188 patent is directed to a “software system for managing the process of performing pre-employment background investigations.” ’188 patent col. 3 l. 66 to col. 4 l. 2. Miller Mendel and City agree that claim 1 of the ’188 patent is representative of all asserted claims, *Rule 12(c) Decision* at 489 n.2, and it recites:

1. A method for a computing device with a processor and a system memory to assist an investigator in conducting a background

1. The asserted claims are claims 1, 5, and 15 of U.S. Patent No. 10,043,188. *See, e.g., Miller Mendel, Inc. v. City of Anna*, No. 2:21-CV-00445-JRG, 2022 WL 2700334, at *1-3 (E.D. Tex. June 9, 2022) (“*Reconsideration Order*”).

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investigation of an applicant for a position within a first organization, comprising the steps of:

receiving a first set of program data comprising information identifying the applicant, the position, the first organization, and the investigator;

storing a new applicant entry in the system memory, the new applicant entry associated with the first set of program data;

transmitting an applicant hyperlink to an applicant email address associated with the applicant, the applicant hyperlink for viewing an applicant set of electronic documents;

receiving an applicant electronic response with a reference set of program data, wherein the reference set of program data comprises information regarding a reference source, wherein the reference source is a person, the program data including a reference email address associated with the reference source;

determining a reference class of the reference source based on the reference set of program data;

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selecting a reference set of electronic documents based on the reference class of the reference source;

transmitting a reference hyperlink to the reference email address, the reference hyperlink for viewing the reference set of electronic documents;

receiving a reference electronic response to the reference set of electronic documents from the reference source;

storing the reference electronic response in the system memory, associating the reference electronic response with the new applicant entry; and

generating a suggested reference list of one or more law enforcement agencies based on an applicant residential address.

'188 patent col. 15 l. 52 to col. 16 l. 19.

On February 15, 2022, City moved for judgment on the pleadings, alleging that the claims of the '188 patent are ineligible for patent protection under 35 U.S.C. § 101. *Rule 12(c) Decision* at 488; J.A. 136; *see also* J.A. 127-60 (Rule 12(c) motion opening brief). The district court

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granted City's Rule 12(c) motion, dismissing the case with prejudice. *Rule 12(c) Decision* at 499. The district court also rejected Miller Mendel's argument that City's motion went beyond the pleadings allowed under Rule 12(c). *Id.* at 497 n.4.

Miller Mendel filed a motion for reconsideration, arguing that the district court lacked subject matter jurisdiction over unasserted patent claims and thus could not invalidate all claims of the '188 patent. On June 9, 2022, the district court denied Miller Mendel's motion for reconsideration. *Reconsideration Order* at *2; see J.A. 753-56. However, the district court clarified that its Rule 12(c) decision only invalidated claims 1, 5, and 15, rather than invalidating all claims of the '188 patent. *Reconsideration Order* at *1-3.

City also filed a motion for attorneys' fees pursuant to 35 U.S.C. § 285. *Attorneys' Fees Order* at *1-2; see also J.A. 796, 799-800. On June 13, 2022, the district court denied City's motion for attorneys' fees, finding that the case was not exceptional. *Attorneys' Fees Order* at *6.

Miller Mendel appealed and City cross-appealed. We have jurisdiction under 28 U.S.C. § 1295(a)(1).

II. STANDARD OF REVIEW

We review procedural aspects of the grant of judgment on the pleadings based on the law of the regional circuit. *Two-Way Media Ltd. v. Comcast Cable Commc'ns, LLC*, 874 F.3d 1329, 1336 (Fed. Cir. 2017). Under Fifth Circuit

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law, we review a judgment on the pleadings de novo. *See Templeton v. Jarmillo*, 28 F.4th 618, 620 (5th Cir. 2022). “The standard for dismissing a complaint under Rule 12(c) is the same as a dismissal for failure to state a claim under [Rule] 12(b)(6).” *Id.* at 621. “The standard requires the complaint to ‘contain sufficient factual matter, accepted as true, to state a claim to relief that is plausible on its face.’” *Id.* (quoting *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009)).

“We review the district court’s ultimate patent-eligibility conclusion de novo.” *PersonalWeb Techs. LLC v. Google LLC*, 8 F.4th 1310, 1315 (Fed. Cir. 2021). “Patent eligibility is a question of law that may involve underlying questions of fact.” *Id.* at 1314 (citation omitted). The inquiry on patent eligibility “may be, and frequently has been, resolved on a Rule 12(b)(6) or (c) motion where the undisputed facts, considered under the standards required by that Rule, require a holding of ineligibility under the substantive standards of law.” *Id.* (citation omitted).

“We review all aspects of a district court’s § 285 determination for an abuse of discretion, including its exceptional case determination.” *Rothschild Connected Devices Innovations, LLC v. Guardian Prot. Servs., Inc.*, 858 F.3d 1383, 1387 (Fed. Cir. 2017) (cleaned up). “An abuse of discretion occurs when, inter alia, the district court ‘bases its ruling on an erroneous view of the law or on a clearly erroneous assessment of the evidence.’” *Id.* (quoting *Highmark Inc. v. Allcare Health Mgmt. Sys., Inc.*, 572 U.S. 559, 563 n.2 (2014)).

*Appendix A***III. DISCUSSION**

Miller Mendel appeals the district court's grant of City's Rule 12(c) motion, arguing that (1) the district court did not follow the requirements of Federal Rule of Civil Procedure 12(d), Appellant's Br. 14; *see also id.* at 15-19; and (2) the district court erred in finding the asserted claims of the '188 patent invalid for lack of patentable subject matter. *Id.* at 19-20; *see also id.* at 21-41. City cross-appeals (1) the district court's decision that its invalidity findings pertained only to claims 1, 5, and 15, Cross-Appellant's Principal & Resp. Br. 42-44; *see also id.* at 45-50; and (2) the district court's finding that the case was not exceptional in denying City's attorneys' fees motion. *Id.* at 50-51; *see also id.* at 52-68. We address each argument in turn.

A.

As an initial matter, Miller Mendel argues that the district court erred by relying on and citing parts of City's Rule 12(c) motion, which in turn relied on a declaration that was not part of the pleadings. *See* Appellant's Br. 14-16; *see also id.* at 17-19. We are not persuaded that the district court's analysis requires reversal.

In considering a Rule 12(c) motion, "the court is generally limited to the contents of the pleadings, including attachments thereto." *Bosarge v. Miss. Bureau of Narcotics*, 796 F.3d 435, 440 (5th Cir. 2015) (cleaned up). "The 'pleadings' include the complaint, answer to the complaint, and 'if the court orders one, a reply to an

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answer.” *Id.* (quoting Fed. R. Civ. P. 7(a)). “If, on a motion under Rule 12(b)(6) or 12(c), matters outside the pleadings are presented to and not excluded by the court, the motion must be treated as one for summary judgment under Rule 56.” Fed. R. Civ. P. 12(d).

Although the declaration here is outside the pleadings, the district court explained that the declaration was not relevant to its analysis because it neither relied on it for its § 101 analysis nor would it have altered its conclusions. Specifically, the district court only referred to the section of City’s brief that cited a declaration attached to the Rule 12(c) motion in summarizing the parties’ arguments. *Rule 12(c) Decision* at 496-97 (citing J.A. 157-59). In its patent eligibility analysis, the district court did not rely on any materials outside of the pleadings or sections of City’s brief discussing materials outside of the pleadings. *Id.* at 498-99; *see also Reconsideration Order* at *5 (“The Court did not rely on evidence outside of the ’188 Patent to find that it was directed to an abstract idea because the language intrinsic to the ’188 Patent itself demands such a conclusion.”).

Moreover, even if the district court erred by not explicitly excluding the declaration, any such error is harmless because the district court also explained that it would have “reach[ed] the same conclusions and result, both when it does and when it does not consider the declarations or exhibits attached to the City’s motion.” *Rule 12(c) Decision* at 497 n.4. The Fifth Circuit has held that error in considering evidence outside of the pleadings is harmless when “[a]ccepting the facts as pled, all claims still fail.” *Whitaker v. Collier*, 862 F.3d 490, 501 (5th Cir.

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2017) (quoting *Wood v. Collier*, 836 F.3d 534, 542 (5th Cir. 2016)); *see also* 11 Charles A. Wright & Arthur R. Miller, *Federal Practice and Procedure* § 1364 (3d ed. 2022) (noting failure to convert Rule 12(c) motions under circumstances indicated in Rule 12(d) can be treated as a harmless error “if the dismissal can be justified without reference to any extraneous matters”); *Hawk Tech. Sys., LLC v. Castle Retail, LLC*, 60 F.4th 1349, 1360-61 (Fed. Cir. 2023) (applying Sixth Circuit law and finding harmless error in failing to convert a motion to dismiss into a motion for summary judgment because the dismissal can be justified without reference to any matters outside the pleadings). Accordingly, we reject Miller Mendel’s argument on this issue.

B.

Miller Mendel argues that the district court erred in finding the ’188 patent’s asserted claims patent ineligible. Appellant’s Br. 19; *see also id.* at 20-41. We disagree.

i.

At *Alice/Mayo* step one, we “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” such as an abstract idea. *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 217 (2014). The asserted claims of the ’188 patent are directed to the abstract idea of performing a background check.

To determine whether a claim is “directed to” a patent ineligible concept, “we look to whether the claims ‘focus

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on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery.” *CardioNet, LLC v. InfoBionic, Inc.*, 955 F.3d 1358, 1368 (Fed. Cir. 2020) (quoting *McRO, Inc. v. Bandai Namco Games Am., Inc.*, 837 F.3d 1299, 1314 (Fed. Cir. 2016)). For software-based inventions, *Alice/Mayo* step one “often turns on whether the claims focus on the specific asserted improvement in computer capabilities or, instead, on a process that qualifies as an abstract idea for which computers are invoked merely as a tool.” *In re Killian*, 45 F.4th 1373, 1382 (Fed. Cir. 2022) (cleaned up).

Here, the claim language shows that the claimed invention is directed to the abstract idea of performing a background check. Representative claim 1 recites a “method for a computing device with a processor and a system memory *to assist an investigator in conducting a background investigation* of an applicant for a position within a first organization.” ’188 patent col. 15 ll. 52-55 (emphasis added). The claim also recites several steps that the computer system performs to assist the investigator with conducting a background investigation. *Id.* col. 15 l. 56 to col. 16 l. 19. These steps demonstrate that the claims are directed to receiving, storing, transmitting, determining, selecting, and generating information, which place them in the “familiar class of claims directed to a patent-ineligible concept.” *Trinity Info Media, LLC v. Covalent, Inc.*, 72 F.4th 1355, 1362 (Fed. Cir. 2023) (cleaned up) (finding “collecting information, analyzing it, and displaying certain results” abstract); *see also Elec.*

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Comme'n Techs., LLC v. ShoppersChoice.com, LLC, 958 F.3d 1178, 1182 (Fed. Cir. 2020) (finding “gathering, storing, and transmitting information” abstract).

The patent specification confirms that the asserted claims are directed to an abstract idea. The '188 patent states that the problem addressed by the invention is “to help a background investigator more efficiently and effectively conduct a background investigation.” '188 patent col. 1 ll. 38-40. It refers to the subject matter of the invention as “a web based software system for managing the process of performing pre-employment background investigations.” *Id.* col. 3 l. 67 to col. 4 l. 2; *see also id.* Abstract. The specification characterizes the steps performed by the system as “automat[ing] the majority of the tasks of a common preemployment background investigation so that fewer hardcopy documents are necessary, thus creating more efficient management of individual background investigations.” *Id.* col. 4. ll. 12-16. In short, the problem facing the inventor was the abstract idea of performing background investigations more efficiently and effectively, not an improvement to computer technology. *See, e.g., Trinity*, 72 F.4th at 1363 (explaining that the specification’s discussion of “the problem facing the inventor” was how to perform an abstract idea, rather than an improvement to computer technology); *ChargePoint, Inc. v. SemaConnect, Inc.*, 920 F.3d 759, 768 (Fed. Cir. 2019) (“[L]ooking at the problem identified in the patent, as well as the way the patent describes the invention, the specification suggests that the invention of the patent is nothing more than the abstract idea of communication over a network for interacting with

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a device, applied to the context of electric vehicle charging stations.”).

Miller Mendel argues that the method of claim 1 cannot be directed to an abstract idea because certain limitations, such as the transmitting hyperlinks via email steps and generating a suggested reference list steps, cannot be done in the mind or by pen and paper. *See* Appellant’s Br. 27-30. We are not persuaded that claim 1 cannot be directed to an abstract idea even if certain steps cannot be completed in the mind or by pen and paper. “[T]he inability for the human mind to perform each claim step does not alone confer patentability.” *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1098 (Fed. Cir. 2016). Moreover, requiring the use of a computer alone does not change the focus of a claim directed towards an abstract idea into one directed towards “a specific improvement to computer functionality.” *In re TLI Commc’ns LLC Pat. Litig.*, 823 F.3d 607, 612 (Fed. Cir. 2016).

Miller Mendel relies on *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1337-38 (Fed. Cir. 2016), arguing that the district court overlooked clear improvements offered by the asserted claims. Appellant’s Br. 29-30. This argument is also unpersuasive. In *Enfish*, the claims were directed to “a specific type of data structure designed to improve the way a computer stores and retrieves data in memory.” 822 F.3d at 1339. Because the asserted claims of the ’188 patent are not directed to an improvement in computer technology, *Enfish* is distinguishable. In sum, at *Alice/Mayo* step one, the asserted claims are directed to an abstract idea.

*Appendix A***ii.**

At *Alice/Mayo* step two, we find the asserted claims do not contain additional elements that “transform the nature of the claim into a patent-eligible application.” *Alice*, 573 U.S. at 217 (internal quotation marks omitted). “[W]e undertake ‘a search for an inventive concept—i.e., an element or combination of elements that is sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the ineligible concept itself.’” *PersonalWeb*, 8 F.4th at 1318 (quoting *Alice*, 573 U.S. at 217-18). Here, when viewing the limitations of representative claim 1 individually or as an ordered combination, the limitations “merely recite well-understood, routine, conventional activities, either by requiring conventional computer activities or routine data-gathering steps.” *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1363 (Fed. Cir. 2015) (cleaned up).

Claim 1 recites well-understood, routine, and conventional computer components. Claim 1 recites a method performed by a “computing device with a processor and a system memory.” ’188 patent col. 15 l. 52-53. None of the limitations recited in the claim “requires anything other than conventional computer and network components operating according to their ordinary function.” *Two-Way Media*, 874 F.3d at 1339; ’188 patent col. 15 l. 52 to col. 16 l. 19. Nor is the ordered combination of these steps inventive. For example, the patent specification explains that “it should be appreciated that these steps may be performed *in any random order* and the process 800 *is not defined by this particular illustrative order.*”

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'188 patent col. 14 ll. 21-24 (emphases added). Considered individually or as an ordered combination, the claim limitations fail to transform the claimed abstract idea into a patent-eligible application.

The lack of inventive concept is further confirmed by other parts of the specification, which describe no more than “already available computers” performing “already available basic functions.” *SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1169-70 (Fed. Cir. 2018); *see, e.g., Trinity*, 72 F.4th at 1367 (analyzing patent specification under *Alice/Mayo* step two). The '188 patent's use of generic computer components, such as a “computing device,” “processors,” “system memory,” and “computer storage media,” confirms that these components do not provide an inventive concept. '188 patent col. 12 ll. 46-50, col. 13 ll. 40-41; *see Trinity*, 72 F.4th at 1367. For example, the specification teaches one embodiment with “a very basic configuration 701, [where] computing device 700 typically includes one or more processors 710 and system memory 720.” '188 patent col. 12 ll. 46-48. The specification further states that “the system memory 720 can be of *any type*” and that “[*a*]ny such computer storage media can be part of device 700.” *Id.* col. 12. ll. 64-65, col. 13 ll. 40-41 (emphases added).

Miller Mendel argues that there is no evidence in the record that the additional elements of “transmitting an applicant hyperlink to an applicant e-mail address” and “generating a suggested reference list of one or more law enforcement agencies based on an applicant residential address” were well-understood, routine, and

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conventional in the industry. Appellant’s Br. 33-36. We disagree. Indeed, the specification itself describes the invention as “automat[ing] the majority of the tasks of a common pre-employment background investigation,” thereby acknowledging that such tasks were routine prior to the date of the invention. ’188 patent col. 4 ll. 12-16; *see id.* col. 1 ll. 38-40; *id.* Abstract.

Lastly, Miller Mendel faults the district court for not allowing factual development for Miller Mendel to present contrary evidence. Appellant’s Br. 36, *see also id.* at 40. But Miller Mendel fails to identify any specific facts that would change our analysis. *See* Appellant’s Br. 36. Therefore, judgment on the pleadings is appropriate. *See Trinity*, 72 F.4th at 1361.

C.

On cross-appeal, City argues that the district court erred by clarifying in its Reconsideration Order that its invalidity findings pertained only to claims 1, 5, and 15. Cross-Appellant’s Principal & Resp. Br. 42-44; *see also id.* at 45-50. City urges us to find claim 9 directed to patent ineligible subject matter as well, or otherwise remand to the district court to make such a finding. *Id.* at 50. We decline to do so.

At the outset, the parties dispute the standard of review. *See* Cross-Appellant’s Principal & Resp. Br. 42; Appellant’s Resp. & Reply Br. 28-29. The crux of the issue is whether claims other than claims 1, 5, and 15 of the ’188 patent are at dispute in this litigation—i.e., whether a

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case or controversy existed regarding these other claims. Therefore, we find this issue regarding our jurisdiction to be subject to de novo review under Federal Circuit law. *Sanofi-Aventis U.S., LLC v. Dr. Reddy's Labs, Inc.*, 933 F.3d 1367, 1372 (Fed. Cir. 2019) (“We review de novo whether a case or controversy existed . . . and apply Federal Circuit law.”) (citations omitted).

The district court did not have jurisdiction over claims 2-4 and 6-14 of the '188 patent. *See, e.g., Fox Grp., Inc. v. Cree, Inc.*, 700 F.3d 1300, 1307 (Fed. Cir. 2012) (“In patent cases, the existence of a case or controversy must be evaluated on a claim-by-claim basis.”) (cleaned up). Our decisions in *Streck, Inc. v. Research & Diagnostic Systems, Inc.*, 665 F.3d 1269 (Fed. Cir. 2012) and *Fox* are illustrative. In *Streck*, we held that the district court did not have jurisdiction over patentee’s unasserted claims even though the patentee’s complaint alleged infringement of “one or more claims” of the patents-in-suit. 665 F.3d at 1284. We explained that the patentee had “narrowed the scope of claims at issue” by serving preliminary infringement contentions, further narrowed the asserted claims to only nine claims, and that “the parties knew precisely which claims were at issue well before the court ruled on the parties’ summary judgment motions or conducted trial.” *Id.* Similarly, in *Fox*, the patentee’s complaint “alleged infringement of ‘one or more claims,’ but [the patentee] subsequently narrowed the scope of its asserted claims before the court ruled on the parties’ summary judgment motions.” 700 F.3d at 1308. Therefore, we found no jurisdiction over the unasserted claims. *Id.*

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The facts here are analogous. On February 22, 2022, Miller Mendel amended its complaint to assert that the Guardian Platform “infringes one or more claims of the ’188 patent, including at least Claims 1, 5, and 15,” J.A. 468 ¶ 12. On March 1, 2022, Miller Mendel subsequently narrowed the asserted claims to claims 1, 5, and 15 in its response to City’s Rule 12(c) motion. J.A. 486. By March 2, 2022, Miller Mendel again confirmed in its infringement contentions that it asserted only claims 1, 5, and 15. J.A. 771-72; *see also* J.A. 754. The district court’s decision granting City’s Rule 12(c) motion issued on April 14, 2022. *Rule 12(c) Decision* at 488, 499. Because Miller Mendel narrowed the scope of claims at issue to claims 1, 5, and 15 and both parties knew which claims were at issue before the court ruled on the motion for judgment on the pleadings, the district court had no jurisdiction over the unasserted claims in the ’188 patent. *Streck*, 665 F.3d at 1284; *see Fox*, 700 F.3d at 1308; *Reconsideration Order* at *2-3.

City argues that Miller Mendel should have provided some indication of the withdrawal of claims to City prior to City’s Rule 12(c) motion. Cross-Appellant’s Principal & Resp. Br. 48. But City does not explain why Miller Mendel should have provided notice before the filing date of the motion for judgment on the pleadings. Like in *Streck*, withdrawal of claims occurred here before the district court ruled on the dispositive Rule 12(c) motion. *See Streck*, 665 F.3d at 1284; *Fox*, 700 F.3d at 1308.

City also argues that Miller Mendel’s infringement contentions did not clearly and unambiguously narrow the

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scope of the claims being asserted, citing *Voter Verified, Inc. v. Premier Election Solutions, Inc.*, 698 F.3d 1374, 1382 (Fed. Cir. 2012). Cross-Appellant’s Principal & Resp. Br. 47; Cross-Appellant’s Reply Br. 7. But in *Voter Verified*, the alleged infringers “kept any ‘unasserted’ claims before the district court by maintaining their respective counterclaims that alleged invalidity of ‘[e]ach claim of the [asserted patent].’” 698 F.3d at 1382 (first alteration in original). Here, City never even asserted a counterclaim of invalidity. *See* J.A. 505-28. Thus, *Voter Verified* is inapposite.

Accordingly, the district court did not err in holding that its § 101 invalidity decision only applies to claims 1, 5, and 15.

D.

City challenges the district court’s denial of its attorneys’ fees motion under § 285. *See* Cross-Appellant’s Principal & Resp. Br. 50; *see also id.* at 51-68. We also are not persuaded that the district court abused its discretion in denying this motion.

City argues that the district court erred as a matter of law by giving weight to the absence of litigation misconduct. *See* Cross-Appellant’s Principal & Resp. Br. 52. The district court mentioned the absence of litigation misconduct in its “Legal Standard” section but did not rely on the absence of misconduct in its “Analysis” section. *Compare Attorneys’ Fees Order* at *2, *with id.* at *6. While a court may award attorneys’ fees to the prevailing

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party in an exceptional case, a case is “exceptional” if it “stands out from others with respect to the substantive strength of a party’s litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated.” *Energy Heating, LLC v. Heat On-The-Fly, LLC*, 15 F.4th 1378, 1382 (Fed. Cir. 2021) (citation omitted); *see also* 35 U.S.C. § 285. *Energy Heating* supports the proposition that the district court was not *required* to affirmatively weigh the absence of litigation misconduct. 15 F.4th at 1383-84.

City also contends that the district court should have given more weight to Miller Mendel’s “exceptionally weak” invalidity position. *See* Cross-Appellant’s Principal & Resp. Br. 55; *see id.* at 56-61. We disagree. Under the specific facts of this case, the district court acted within its discretion in finding that “Miller Mendel was entitled to believe that the ’188 Patent was valid after it was examined and allowed by the USPTO” and thereafter exercise its patent rights. *Attorneys’ Fees Order* at *6. The district court also reasonably found that although Miller Mendel’s opposition to City’s Rule 12(c) motion “was not compelling . . . , it did not rise to the level of unreasonable or vexatious.” *Attorneys’ Fees Order* at *6.

Lastly, City argues that the district court abused its discretion in finding the case not exceptional in light of Miller Mendel’s unreasonable litigation conduct, including filing lawsuits to “unduly pressure existing and potential customers” of the allegedly infringing software GAT and “misrepresent[ing] the status and events in the various

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litigations to the industry.” Cross-Appellant’s Principal & Resp. Br. 61-62, 66; *see also id.* at 63-65, 67-68. We again disagree. Regarding undue pressure, the district court did not abuse its discretion by concluding that a case was not exceptional when Miller Mendel asserted its patent rights against other alleged infringers. *See Attorneys’ Fees Order* at *6; *see Checkpoint Sys., Inc. v. All-Tag Sec. S.A.*, 858 F.3d 1371, 1375 (Fed. Cir. 2017) (“Enforcement of [a patent] right is not an ‘exceptional case’ under the patent law.”). Regarding alleged misrepresentations, the district court did not abuse its discretion in rejecting this argument and concluding that the grant of City’s § 101 motion “does not open the door to an award of fees outside the case at hand before this [c]ourt.” *Attorneys’ Fees Order* at *6.

Considering the totality of the circumstances, we do not find the district court abused its discretion in finding the case not exceptional.

IV. CONCLUSION

We have considered both parties’ remaining arguments and find them unpersuasive. For the reasons discussed above, we affirm the district court’s judgment and the district court’s denial of attorneys’ fees.

AFFIRMED**Costs**

No costs.

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**APPENDIX B — ORDER OF THE UNITED
STATES DISTRICT COURT FOR THE EASTERN
DISTRICT OF TEXAS, MARSHALL DIVISION,
DATED APRIL 14, 2022**

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

CIVIL ACTION NO. 2:21-CV-00445-JRG

MILLER MENDEL, INC.,

Plaintiff,

v.

CITY OF ANNA, TEXAS,

Defendant.

April 14, 2022, Decided
April 14, 2022, Filed

ORDER

Before the Court is the Motion for Judgment on the Pleadings Pursuant to Federal Rule of Civil Procedure 12(e) and 35 U.S.C. § 101 (the “Motion”) filed by Defendant City of Anna, Texas (the “City”) on February 15, 2022. (Dkt. No. 16.) In the Motion, the City seeks judgment on the pleadings that the subject matter of U.S. Patent No. 10,043,188 (the “188 Patent”) is ineligible for patent protection under 35 U.S.C. § 101. (*Id.* at 1-2.)

*Appendix B***I. BACKGROUND****a. Procedural History**

Plaintiff Miller Mendel, Inc. (“Miller Mendel”) filed a Complaint on December 2, 2021 alleging infringement of “at least Claims 1, 5, and 15” of the ’188 Patent by the City and the Anna Police Department. (Dkt. No. 1.)¹ Miller Mendel alleges that the City, “by and through its authorized agency the Anna Police Department,” uses the “Guardian Alliance Technologies investigation software platform” (the “Guardian Platform”) and infringes the ’188 Patent through use of the Guardian Platform “on a computing device with a processor and system memory[to assist] an investigator in conducting a background investigation of an application within an organization.” (Dkt. No. 21, ¶ 12.)

Miller Mendel has filed several lawsuits throughout the country alleging that customers of Guardian Alliance Technologies (“GAT”) infringe the same claims of the ’188 Patent. (Dkt. No. 16 at 1-2.) In October 2018, Miller Mendel sued the City of Oklahoma City in the Western District of Oklahoma (the “Oklahoma Action”). (*Id.*; *see also* Case. No. CIV-18-990-JD (W.D. Okla.)) In the Oklahoma Action, the defendant filed a § 101 motion that was denied based on factual disputes pending claim construction. (Dkt. No. 16 at 1; *see also* Case. No. CIV-18-990-JD, Dkt. No. 32 (W.D. Okla.)) Claim construction in the Oklahoma Action was

1. An Amended Complaint was filed on February 22, 2022 removing the Anna Police Department as a named defendant. (Dkt. No. 21; *see also* Dkt. Nos. 13, 22, 32.)

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fully briefed as of May 10, 2021, a *Markman* hearing has not been scheduled, and a claim construction order has not yet issued. (*See, e.g.*, Dkt. No. 16 at 1; *see also* Dkt. No. 24 at 3; Case. No. CIV-18-990-JD, Dkt. No. 122 (W.D. Okla.)) In February 2021, Miller Mendel filed an infringement suit against Washington County, Oregon (the “Oregon Action”) (Case No. 3:21-cv-00168-SB (D. Ore.)) and in May 2021, Miller Mendel sued the State of Alaska (the “Alaska Action”) (Case No. 3:21-cv-00129-HRN (D. Alaska)). (Dkt. No. 16 at 1.) Both the Oregon Action and the Alaska Action have been stayed pending the outcome of the Oklahoma Action. (*Id.* at 1-2.) In all pending actions filed by Miller Mendel against GAT customers, “GAT is contractually obligated to defend and indemnify Miller Mendel’s claims for patent infringement.” (*Id.* at 7.)

b. The ’188 Patent

The ’188 Patent is entitled “Background Investigation Management Service” and was issued on August 7, 2018. The ’188 Patent is directed to a “software system for managing the process of performing pre-employment background investigations.” (’188 Patent at 3:66-4:2.) The ’188 Patent describes a “software system 100 [that] allows an organization 102 the ability to create and customize electronic documents 104 to be sent to applicants to complete via the software system 100, and returned to the software system 100 in similar fashion.” (*Id.* at 4:5-9.)

The specification notes that the “system 100 automates the majority of the tasks of a common pre-employment background investigation so that fewer hardcopy

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documents are necessary, thus creating more efficient management of individual background investigations.” (*Id.* at 4:12-16.) The system also “automatically processes information entered in the documents to save organizations time and allow quicker turnaround of the background investigation.” (*Id.* at 4:33-36.) The “technical functions and features” of the system are “initiated when a remote terminal communicates with a central computer (server) via the Internet or other network.” (*Id.* at 4:41-44.) Claim 1 of the ’188 Patent reads as follows:²

A method for a computing device with a processor and a system memory to assist an investigator in conducting a background investigation of an applicant for a position within a first organization, comprising the steps of:

receiving a first set of program data comprising information identifying the applicant, the position, the first organization, and the investigator;

2. The parties agree that Claim 1 of the ’188 Patent is representative of the asserted claims. (Dkt. No. 16 at 9, n.1; Dkt. No. 24 at 4.) The Court finds that Claim 1 is representative of Claim 5, which merely claims a “non-transitory computer-readable medium” with instructions for performing the method of Claim 1. Claim 1 is also representative of Claim 15, which merely broadens the “applicant residential address” recited in the final limitation of Claim 1 to include an “applicant current residential address, an applicant past address, and a reference source address.” Such a distinction is immaterial to the patent eligibility analysis of the claims of the ’188 Patent. *Content Extraction and Transmission LLC v. Wells Fargo Bank*, 776 F.3d 1343, 1348 (Fed. Cir. 2014).

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storing a new applicant entry in the system memory, the new applicant entry associated with the first set of program data;

transmitting an applicant hyperlink to an applicant email address associated with the applicant, the applicant hyperlink for viewing an applicant set of electronic documents;

receiving an applicant electronic response with a reference set of program data, wherein the reference set of program data comprises information regarding a reference source, wherein the reference source is a person, the program data including a reference email address associated with the reference source; determining a reference class of the reference source based on the reference set of program data;

selecting a reference set of electronic documents based on the reference class of the reference source;

transmitting a reference hyperlink to the reference email address, the reference hyperlink for viewing the reference set of electronic documents;

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receiving a reference electronic response to the reference set of electronic documents from the reference source;

storing the reference electronic response in the system memory, associating the reference electronic response with the new applicant entry; and

generating a suggested reference list of one or more law enforcement agencies based on an applicant residential address.

(’188 Patent at Claim 1.)

The parties agree that during prosecution of the ’188 Patent, “the examiner rejected all pending claims under Section 101 as patent ineligible[.]” (Dkt. No. 24 at 3; *see also* Dkt. No. 16 at 10-11 (noting that the “patent examiner found that the proposed claims fall under the abstract concept of ‘Fundamental Economic Practices.’”)) Miller Mendel contends that to counter that rejection, the applicant pointed to the step of Claim 1 that recites “generating a suggested reference list of one or more law enforcement agencies based on an applicant residential address.” (*Id.* at 3-4.) The specification of the ’188 Patent refers to this feature as the “Address Locator,” which “will retrieve law enforcement and court names, addresses and phone numbers for a pre-defined radius around

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the applicant's past and current addresses, and those addresses of the applicant's employer's [*sic*] and relatives." ('188 Patent at 9:48-53.) Specifically:

The system does this by taking the address information the applicant provided on questionnaires he or she submitted to the organization via the software system. The system then conducts a search using an Internet search engine for agencies and courts around the selected address. A list of agencies and courts is presented to the user at which time the organization user selects which agencies and courts the organization will send reference letters and requests for records checks to. The user can also edit the address in case of any system mistake.

(*Id.* at 9:54-62.)

The City also points out that, in response to the § 101 rejection, the applicant argued that the examiner's rejection was incorrect because the examiner "failed to expressly support the necessary underlying fact determinations to reach such a conclusion, as required by Patent Office guidelines then in effect for a § 101 rejection, namely: (1) a citation to an express statement by applicant; (2) a court decision finding similar claim language ineligible; (3) a publication that demonstrates the well-understood, routine, conventional nature of the additional element(s); or (4) a statement that the examiner is taking official notice of the well-understood, routine,

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conventional nature of the additional element(s).” (*Id.* at 11) (quotations omitted). The claims were subsequently allowed. (*Id.*)³

II. LEGAL STANDARD**a. Rule 12(c)**

After the pleadings are closed, but early enough not to delay trial, a party may move for judgment on the pleadings. Fed. R. Civ. P. 12(c). “The standard for deciding a Rule 12(c) motion is the same as a Rule 12(b)(6) motion to dismiss...[t]he plaintiff must plead ‘enough facts to state a claim for relief that is plausible on its face.’” *Guidry v. American Public Life Ins. Co.*, 512 F.3d 177, 180 (5th Cir. 2007) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 127 S. Ct. 1955, 167 L. Ed. 2d 929 (2007)). In a patent case,

3. In reviewing the prosecution history of the '188 Patent, the Court notes that both the applicant and the examiner conflated the analysis under 35 U.S.C. § 101 with the analysis under 35 U.S.C. §§ 102 and 103, and the Court further notes that the examiner did not provide any specific analysis in the Notice of Allowance regarding § 101. (*See, e.g.*, April 26, 2018 Amendment/Reply to Non-Final Office Action at 9 (“The Examiner tentatively agreed that if claims are allowable over the prior art — that is, there are no novelty and obviousness rejections on those claims, then the claims represent ‘something more’ than a mere abstract idea and are patentable.”); *id.* at 12 (“Since the claims are patentable over the prior art, they are inventive and therefore ‘something more’ than an abstract concept.”); *see also* Notice of Allowability at 2 (“[T]he Examiner finds the claimed invention to be patentably distinct from the prior art of records [*sic*.”]; *id.* at 3 (“Applicant’s arguments filed 4/26/2018 have been considered and found persuasive.”).)

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the Federal Circuit reviews procedural aspects of motions for judgment on the pleadings using regional circuit law. *RecogniCorp, LLC v. Nintendo Co., Ltd.*, 855 F.3d 1322, 1325-26 (Fed. Cir. 2017).

b. Patent Eligibility

Anyone who “invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof” may obtain a patent. 35 U.S.C. § 101. Since patent protection does not extend to claims that monopolize the “building blocks of human ingenuity,” claims directed to laws of nature, natural phenomena, and abstract ideas are not patent eligible. *Alice Corp. Pty. v. CLS Bank Int’l*, 573 U.S. 208, 134 S. Ct. 2347, 2354, 189 L. Ed. 2d 296 (2014). The Supreme Court instructs courts to distinguish between claims that set forth patent-ineligible subject matter and those that “integrate the building blocks into something more.” (*Id.*)

First, the court “determine[s] whether the claims at issue are directed to a patent-ineligible concept.” (*Id.* at 2355.) In doing so, the court must be wary not to overgeneralize the invention, as “all inventions . . . embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” (*Id.* at 2354) (omission in original). In other words, the court must distinguish between “ineligible ‘abstract-idea-based solution[s] implemented with generic technical components in a conventional way’ from the eligible ‘technology-based solution’ and [a] ‘software-based invention[] that improve[s]

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the performance of the computer system itself.” *Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, 841 F.3d 1288, 1299 (Fed. Cir. 2016) (quoting *Bascom Glob. Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1351 (Fed. Cir. 2016)) (alteration in original).

If the challenged claims recite a patent-ineligible concept, the court then “consider[s] the elements of each claim both individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent eligible application.” *Alice*, 134 S. Ct. at 2355 (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 78-79, 132 S. Ct. 1289, 182 L. Ed. 2d 321 (2012)). This step is satisfied when the claim limitations “involve more than performance of ‘well-understood, routine, [and] conventional activities previously known to the industry.’” *Content Extraction*, 776 F.3d at 1347-48 (quoting *Alice*, 134 S. Ct. at 2359). The Federal Circuit has explained that “[w]hile the ultimate determination of eligibility under § 101 is a question of law, like many legal questions, there can be subsidiary fact questions which must be resolved en route to the ultimate legal determination.” *Aatrix Software, Inc. v. Green Shades Software, Inc.*, 882 F.3d 1121, 1128 (Fed. Cir. 2018). As such, “[t]he question of whether a claim element or combination of elements is well-understood, routine and conventional to a skilled artisan in the relevant field is a question of fact” that must be “proven by clear and convincing evidence.” *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1368 (Fed. Cir. 2018).

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Something is not necessarily well-understood, routine, and conventional simply because it is disclosed in a prior art reference. *Exergen Corp. v. KAZ USA, Inc.*, 725 F. App'x 959, 965 (Fed. Cir. 2018). There are many obscure references that may qualify as prior art but are insufficient to establish something is a “well-understood, routine, and conventional activity previously engaged in by [those] who work in the field.” *Mayo*, 566 U.S. at 79. Additionally, specific improvements described in a patent specification, “to the extent they are captured in the claims, create a factual dispute regarding whether the invention describes well-understood, routine, and conventional activities.” *Berkheimer*, 881 F.3d at 1369. However, “[w]hen there is no genuine issue of material fact regarding whether the claim element or claimed combination is well understood, routine, conventional to a skilled artisan in the relevant field, [patent eligibility] can be decided ... as a matter of law.” (*Id.* at 1368.)

III. DISCUSSION**a. The Claims of the '188 Patent are Directed to an Abstract Idea**

In the first step of the patent eligibility analysis, the court “determine[s] whether the claims at issue are directed to a patent-ineligible concept.” *Alice*, 134 S. Ct. at 2355. “If not, the claims pass muster under § 101.” *Ulramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 714 (Fed. Cir. 2014). In making this determination, the court looks at what the claims cover. *See id.* (“We first examine the claims because claims are the definition of what a patent

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is intended to cover.”). “[T]he ‘directed to’ inquiry applies a stage-one filter to claims, considered in light of the specification,” and asks “whether ‘their character as a whole is directed to excluded subject matter.” *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016) (quoting *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015)).

The City contends that “[p]erforming background checks and collecting information from references is an abstract idea because the process is one that has historically been performed by hand using paper.” (Dkt. No. 16 at 18.) The City also argues that the ’188 Patent’s “supposed improvement over the manual method is performing these tasks with an automated system, thereby helping a background investigator more efficiently and effectively conduct a background investigation.” (*Id.* at 18-19) (quotations omitted). Another purported technical advance of the ’188 Patent is to “generat[e] a suggested reference list of one or more law enforcement agencies based on an applicant residential address.” (*Id.* at 20 (quoting ’188 Patent at Claim 1).) According to the City, this “requires no specific improvement in computer capabilities, nor does it add any technological improvements to” the “time-honored” method of using “an applicant’s residential address to determine which local law enforcement agencies to search.” (Dkt. No. 16 at 20 (quoting ’188 Patent at 9:53-57 (“The system does this by taking the address information the applicant provided on questionnaires he or she submitted to the organization via the software system. The system then conducts a search using an Internet search engine for agencies and

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courts around the selected address.”)).) The City further contends that the “claim requires no particular way of conducting the background investigation” aside from the general steps of (1) “transmitting a job application and related documents to a job applicant,” (2) “collecting information from the applicant (including a list of character references)” (3) “transmitting a request for information to the character references, and” (4) “collecting and storing information from the character references.” (Dkt. No. 16 at 2, 20.)

The City compares Claim 1 of the '188 Patent to the claim found patent ineligible in *SkillSurvey, Inc v. Checkster LLC*, 178 F. Supp. 3d 247, 256 (E.D. Pa. 2016), *aff'd*, 683 F. App'x 930 (Fed. Cir. 2017). There, the court “held that claims directed to a system and method of collecting and analyzing information from references identified by job candidates were invalid under § 101 for claiming an abstract idea implemented with generic computer equipment.” (Dkt. No. 16 at 21 (citing *SkillSurvey*, 178 F. Supp. 3d at 255-60).) The claims at issue in *SkillSurvey* recited a “computer-implemented method that sets up initial job specific survey questions for an applicant’s references, connects with the references, collects the survey data provided by the references, anonymizes the survey data, analyzes the survey data, and generates reports for the hiring manager,” including “statistical scores for the applicant in competency skill groups.” (Dkt. No. 16 at 21 (citing *SkillSurvey*, 178 F. Supp. 3d at 253).) The *SkillSurvey* court found that the claims, “alone and in combination, could all be completed by the human mind,” albeit less efficiently than on a computer.

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(Dkt. No. 16 at 21 (citing *SkillSurvey*, 178 F. Supp. 3d at 256).)

In response, Miller Mendel argues that the '188 Patent was allowed “*after* the decision in *Alice*, so the USPTO is presumed to have taken *Alice* into consideration when allowing the claims” and, in fact, “expressly considered” § 101 during prosecution. (Dkt. No. 24 at 6-7) (emphasis in original). Miller Mendel argues that since the “focus of the claimed advance over the prior art” is used to determine whether the claim is directed to an abstract idea (*id.* at 11 (quoting *Affinity Labs of Texas, LLC v. DirecTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016)), the focus of a method claim should be on the “gerund phrases” of the claim (Dkt. No. 24 at 12). Miller Mendel does not cite to any case law that endorses this “gerund phrases” approach. (*See generally* Dkt. No. 24; *see also* Dkt. No. 27 at 5.) Using this methodology, Miller Mendel concludes that the claim is directed to a method that “receives [an] applicant’s information and based on that information, the method determines a reference type and transmit [*sic*] a link to that reference with a questionnaire. The method then store[s] the response and generates [a] reference list of law agencies.” (*Id.* at 14.) Miller Mendel concedes that during prosecution, the examiner found that the limitation directed to “selecting a reference set of electronic documents based on the reference class of the reference source” was “an abstract concept, specifically of the mental steps type.” (*Id.*)

Miller Mendel contends that “Prong Two of the first step of the *Alice* analysis as called for in MPEP 2106.04.

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II.2” requires an evaluation as to “whether the claim recites additional elements that integrate the exception into a practical application of that exception.” (*Id.* at 15.) According to Miller Mendel, the examiner never evaluated said second “prong” of *Alice* Step One. (*Id.*) To satisfy this “additional element,” Miller Mendel points to the limitation “generating a suggested reference list of one or more law enforcement agencies based on an applicant residential address,” which, according to Miller Mendel, is “not inherent in the concept of background searches on job applications, nor is it inherent in collecting information on an applicant from a reference.” (*Id.* at 15-16.) Miller Mendel emphasizes that the reference list is generated “based on an applicant residential address,” because there are “other ways of generating a reference list other than residential address, such as asking the applicant to list the law enforcement agencies the applicant may have previously worked.” (*Id.* at 16.)

The City responds that Miller Mendel’s “gerund phrase” methodology “ignores conventional methods of analyzing patent claims under *Alice*” and is not supported by any court or decision. (Dkt. No. 27 at 5.) The City notes that Miller Mendel relies on *Electric Power* to support the “gerund phrase” approach, but argues that *Electric Power* found that the “focus” of the patent claims was “not on such an improvement in computers as tools, but on certain independently abstract ideas that use computers as tools.” (*Id.* at 5 (quoting *Electric Power Group, LLC v. Alstom, S.A.*, 830 F.3d 1350, 1351-54 (Fed. Cir. 2016)).)

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The City further argues that even under Miller Mendel’s “novel gerund phrase” analysis, the claims of the ’188 Patent do not “recite[] additional elements that integrate the exception into a practical application of that exception.” (Dkt. No. 27 at 7 (citing Dkt. No. 24 at 15).) Specifically, the City contends that the limitation requiring generation of a list of law enforcement agencies based on an applicant’s residential address “is nothing more than an extra-solution activity (*i.e.*, the identification of a particular source of information to be queried) and does not, therefore, bestow subject matter eligibility on the claims of the ’188 Patent.” (Dkt. No. 27 at 7-8; *see also id.* at 8 (“The term ‘extra solution activity’ can be understood as activities incidental to the primary process or product that are merely a nominal or tangential addition to the claim.”).) The City quotes *British Telecommunications* for the proposition that “there is nothing inventive about the generation and transmission of a list of information sources based on user location.” (Dkt. No. 27 at 8 (quoting *Brit. Telecom. PLC v. IAC/InterActive Corp.*, 381 F. Supp. 3d 293, 313 (D. Del. 2019), *aff’d*, 813 F. App’x 584 (Fed. Cir. 2020)).) According to the City, “generating a reference list based on applicant’s residential addresses does not provide any meaningful limitation to the abstract idea of conducting background investigations.” (Dkt. No. 27 at 8-9 (citing *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359 (Fed. Cir. 2015)).)

After considering the above, the Court finds that the ’188 Patent and its claims do not purport to solve any technical problem associated with prior art products or methods. Instead, the ’188 Patent provides a “system for

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managing the process of performing pre-employment background investigations” to “save organizations time and other costly resources.” (’188 Patent at 3:67-4:40.) Put another way, the “subject matter turns much of a common pre-employment background investigation electronic, so that fewer hardcopy documents are necessary, thus creating more efficient management of individual background investigations.” (*Id.* at Abstract.) The Court finds such to be an abstract idea directed toward automation of basic information gathering and organization.

The claims of the ’188 Patent are structurally similar to those declared patent-ineligible in *SkillSurvey*. There, the patent (the “*SkillSurvey* patent”) was directed to “a human resource management system, and more particularly to a system for collecting and analyzing information from references identified by job candidates.” *SkillSurvey*, 178 F. Supp. 3d at 252. Like the ’188 Patent, the *SkillSurvey* patent included a “candidate database that stores survey data,” a “collection module” that “sends an electronic communication to the reference providers requesting them to complete the survey questions,” preferably through an internet link, and an “analysis module” that “combines the received survey data from the reference providers and generates a candidate report.” (*Id.*) Also like the ’188 Patent, the stated purpose of the *SkillSurvey* patent was to make reference checks “less costly” and “substantially automated.” (*Id.*) One claim of the *SkillSurvey* patent expressly required a “specialize[d] computer machine with a non-transient memory having at least one region for storing particular computer

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executable program code” and “at least one processor” for executing such code. (*Id.* at 253.)

The court in *SkillSurvey* found that the patent was “trying to achieve” the “abstract idea of reference checking job applicants” and that the “heart” of the patent was the “abstract idea of anonymously surveying prior employers within the context of job applications.” (*Id.* at 255) (citations omitted). The court determined that the claims of the *SkillSurvey* patent, “alone and in combination, could all be completed by the human mind. A pen and paper version of the claimed method would not be particularly efficient, but it could be completed.” (*Id.* at 256.) For the same reason as the claims at issue in *SkillSurvey*, the Court finds that the claims of the ’188 Patent are directed to an abstract idea.

The Court is not persuaded by Miller Mendel’s argument that the concept of “generating a suggested reference list of one or more law enforcement agencies based on an applicant residential address” is an “additional element” that renders the claims of the ’188 Patent non-abstract. (Dkt. No. 24 at 15-16.) Although the ’188 Patent mentions, *inter alia*, computers, servers, mobile phones, and personal headset devices, the claims and specification lack any disclosure or limitation that indicates a technical improvement of any such components. Figure 62, below, depicts the “example computing device 700” that may be used to implement the claimed system. (’188 Patent at 12:43-50 (“In a very basic configuration 701, computing device 700 typically includes one or more processors 710 and system memory 720.”).) The ’188 Patent places no

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limits on the type or structure of components that are used in the system. (See, e.g., '188 Patent at 12:51-52 (“[P]rocessor 710 can be of any type...”); 12:63-64 (“[M]emory 720 can be of any type...”); 13:40-41 (“Any such computer storage media can be part of device 700.”).)

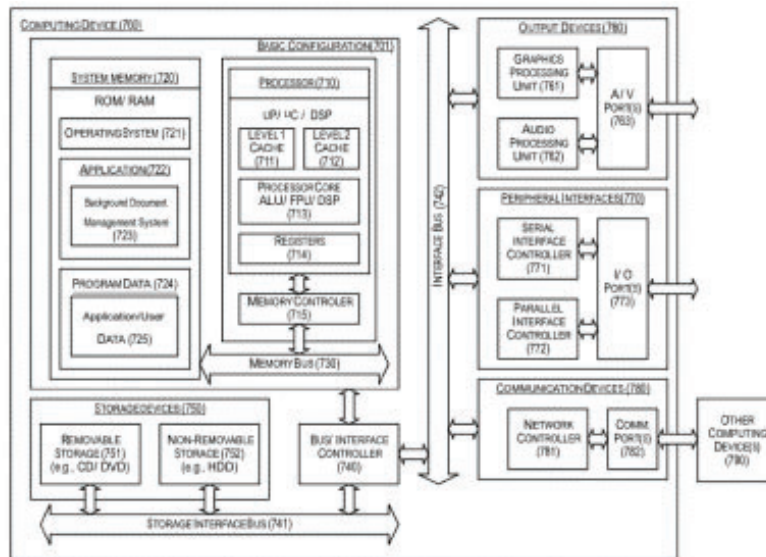


Fig. 62

(*Id.* at FIG. 62.) Nor does the '188 Patent describe *how* it accomplishes any of the claimed functionalities beyond the recitation that “[e]ach of the following components and features may be implemented using software methods and processes executing on one or more computing systems[.]” (*Id.* at 5:7-10; see also *id.* at 14:21-24 (“[I]t should be appreciated that these steps may be performed in any random order and the process 800 is not defined by this particular illustrative order.”).) The claim language is “entirely result-oriented, describing various

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operations...without explaining how to accomplish any of the tasks.” *IBM v. Zillow Grp., Inc.*, 549 F. Supp. 3d 1247, 1263 (W.D. Wa. 2021) (finding claims directed to “selecting, identifying, matching, re-matching, applying, determining, displaying, receiving, and rearranging” patent-ineligible).

In sum, the Court finds that the ’188 Patent is directed to an abstract idea under *Alice* Step One—the abstract idea of performing a background check.

b. The Claims of the ’188 Patent Do Not Recite Any Inventive Concept

Having found that the claims of the ’188 Patent are directed to an abstract idea, the Court now turns to Step Two of *Alice*, which involves a determination of whether the elements of the invention involve “well-understood, routine, [and] conventional activities previously known to the industry.” *See, e.g., Content Extraction*, 776 F.3d at 1347-48 (quoting *Alice*, 134 S. Ct. at 2359). *Alice* Step Two involves questions of fact. *Aatrix Software, Inc. v. Green Shades Software, Inc.*, 882 F.3d 1121, 1128 (Fed. Cir. 2018).

The City argues that the claims of the ’188 Patent are “invalid under § 101 for failing to contain an inventive step pursuant to the second step of the *Alice* test for statutory subject matter.” (Dkt. No. 16 at 22.) The relevant question at this juncture is “whether the claims here do more than simply instruct the practitioner to implement the abstract idea on a generic computer.” *Alice*, 134 S. Ct. at 2359. The City argues that the claims of the ’188 Patent “invoke

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only generic computer components, such as a computing device with a processor and a system memory.” (Dkt. No. 16 at 23 (citing ’188 Patent at 15:52-53).) The City further contends that the steps of the ’188 Patent are traditionally performed when conducting a “conventional and well-known background investigation” and are merely “manual tasks” that “cannot be rendered patent-eligible merely by performing them with a computer.” (Dkt. No. 16 at 23-24 (citing *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1244 (Fed. Cir. 2016)).) According to the City, the “claims of the ’188 Patent make plain[that] the use of a computer is a straightforward substitute for human effort and merely automates the performance of collecting and storing the information necessary for a background investigation.” (Dkt. No. 16 at 24.)

As to the claimed step of “generating a suggested reference list of one or more law enforcement agencies based on an applicant residential address,” the City contends that such is not an “inventive concept capable of saving the claims” from ineligibility. (*Id.* at 24-25.) The City argues that “background investigators have previously developed lists of law enforcement agencies to contact during background investigations based on a residential address of the applicant” because a “residential address is a logical place for such an investigation to begin.” (*Id.* at 25.) The use of a general-purpose computer to generate a list of law enforcement agencies near a residential address is no different, according to the City, than “an investigator manually completing the same step” by “looking at a map of law enforcement agencies and comparing it to a residential address.” (*Id.* at 25-26.) The City alleges that

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reference materials have long existed to serve such a purpose, such as the website <https://www.usacops.com> or the *National Directory of Law Enforcement*. (*Id.* at 27.)

Miller Mendel responds that the Court should “scrutinize not *what* a patent claim’s subject matter is but *how* the patent’s claims achieve their professed goal[.]” (Dkt. No. 24 at 17 (citing *Electric Power Group*, 830 F.3d at 1355).) Along with the “generating a suggested reference list...” step discussed *supra*, Miller Mendel points to the step reciting “storing the reference electronic response in the system memory, [and] associating the reference electronic response with the new applicant entry” as providing the requisite “inventive concept” to transform the claims of the ’188 Patent into patent-eligible subject matter. (Dkt. No. 24 at 17.) Miller Mendel argues that the patent examiner found the claims to be allowable because “the prior art failed to teach” such limitations. (*Id.* at 18.) According to Miller Mendel, the examiner’s finding shows that the limitations of “associating the reference electronic response with the new applicant entry” and “generating a suggested reference list of one [or] more law enforcement agencies based on an applicant residential address” were “not well-understood, routine or conventional at the time of the invention.” (*Id.*) Miller Mendel argues that the City’s evidence that such limitations were known—in the form of a declaration from the GAT founder—is irrelevant because it referenced background investigation techniques from 2015, which is later than the application for the ’188 Patent in 2012 or the 2011 provisional application on which it depends. (*Id.* at 18-19.)⁴

4. Miller Mendel also argues that the City’s Motion goes “well beyond” the pleadings allowed under Rule 12(c). (*Id.* at 5-6.) The

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In response, the City first argues that this Court owes no deference to the findings of the patent examiner. (Dkt. No. 27 at 10 (citing *Quad Environmental Technologies Corp. v. Union Sanitary Dist.*, 946 F.2d 870, 876 (Fed. Cir. 1991)).) The City also argues that “an *Alice* inquiry is not constrained by what is known in the prior art; rather, it looks at what has been done or is capable of being done by the mind, and as the specification of the ’188 Patent teaches, background investigations were routine processes within law enforcement agencies.” (Dkt. No. 27 at 10.) The City contends that “[s]electing an information source based on the proximity to an applicant’s residential address(es) is a mental step capable of being carried out by a mental process in combination with a telephone book, law enforcement directory, or reverse lookup” without the use of “specialized computer software, technology, or tools[.]” (*Id.*) In response, Miller Mendel again argues that the examiner “found the claimed invention to be patentably distinct from the prior art of record.” (Dkt. No. 30 at 4.)

Miller Mendel’s focus on novelty and non-obviousness is misplaced. As noted earlier, Miller Mendel once again conflates the analysis of whether the ’188 Patent is directed to eligible subject matter under § 101 with whether it meets §§ 102 and 103’s novelty requirements.

City contends that the Court can determine that the ’188 Patent is directed to ineligible subject matter without reference to any of the declarations or exhibits attached to its Motion. (Dkt. No. 27 at 4.) Notwithstanding such disagreement, the Court finds that it reaches the same conclusions and result, both when it does and when it does not consider the declarations or exhibits attached to the City’s Motion.

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See generally In re TLI Commc'ns LLC Patent Litigation, 87 F.Supp.3d 773, 786 (E.D. Va. 2015). The Supreme Court has unequivocally stated that such inquiries are separate and distinct. *Diamond v. Diehr*, 450 U.S. 175, 101 S. Ct. 1048, 1058, 67 L. Ed. 2d 155 (1981) (“The question therefore of whether a particular invention is novel is wholly apart from whether the invention falls into a category of statutory subject matter.”). In reaching this conclusion, the Supreme Court emphasized that the § 101 inquiry is distinct from other “[s]pecific conditions of patentability” including “§ 102 [which] covers in detail the conditions relating to novelty.” (*Id.*) Thus, any argument regarding the alleged novelty or non-obviousness of the '188 Patent has little, if any, relevance in determining whether the '188 Patent is directed to patent-ineligible subject matter.

Moreover, Miller Mendel’s purported improvement over the prior art is “the alleged efficiency of the method through computerization,” which is not enough to confer patent eligibility. *SkillSurvey*, 178 F. Supp. at 258. The computer and internet technologies described in the '188 Patent are generic, and requiring the use of generic computer technology does not create an inventive concept. *Alice*, 134 S. Ct. at 2358. As in *SkillSurvey*, “the addition of computerization to the abstract concept of reference checking does not add an inventive concept.” *SkillSurvey*, 178 F. Supp. at 258 (“It is inarguable that using computer technology would necessarily make the claimed method more efficient. However, adding efficiency to a long-standing process through computerization also does not render an abstract idea patentable.”) Additionally, “the

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problem being solved by the use of computer technology does not solve a specific computing problem.” (*Id.*) Instead, issues associated with background checks “remain from an increasingly distant ‘pre-Internet world.’” (*Id.* at 258-259.)

The Court concludes that none of the limitations add inventiveness to the abstract idea. The limitation reciting “associating the reference electronic response with the new applicant entry” is simply directed to matching a survey response with the correct applicant. However, “[s]electing files based on identifiers and matching different files/identifiers is just what computers do. There is nothing inventive about it.” *Intellectual Ventures I LLC v. Erie Indem. Co.*, 200 F. Supp. 3d 565, 577 (W.D. Pa. 2016); see also *Jedi Technologies, Inc. v. Spark Networks, Inc.*, 2017 U.S. Dist. LEXIS 122313, 2017 WL 3315279, at *9 (D. Del. Aug. 3, 2017) (The patent is “directed toward the abstract idea of matching people based on certain criteria.”); *Voip-Pal.Com, Inc. v. Apple Inc.*, 375 F. Supp. 3d 1110, 1136 (N.D. Cal. 2019) (“The Court finds that none of the claim’s elements, assessed individually, provides an inventive concept. Claim 1 discloses: (1) receiving a caller identifier and a callee identifier after a call is initiated; (2) locating a caller dialing profile; (3) matching the information in the caller dialing profile with information in the callee identifier; and (4) classifying the call either as a public network call or a private network call based on classification criteria and producing the appropriate public network or private network routing message to be received by a call controller.”).

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The same is true for the limitation requiring “generating a suggested reference list of one or more law enforcement agencies based on an applicant residential address.” Based on the applicant’s address, the claimed system of the ’188 Patent generates an internet search to find law enforcement agencies near that address, which the investigator can then call or otherwise contact using the system’s email feature. This is no different than finding an applicant’s address on a map and locating the closest law enforcement agencies on that map—the claimed method simply performs this step on a computer using the internet. Stating an abstract idea “while adding the words ‘apply it’ is not enough for patent eligibility.” *Alice*, 134 S. Ct. at 2359 (quoting *Mayo*, 132 S. Ct. at 1289); *see also Jedi Technologies*, 2017 U.S. Dist. LEXIS 122313, 2017 WL 3315279, at *9 (The patent is “directed toward the abstract idea of matching people based on certain criteria.”). “There is nothing inventive about the generation and transmission of a list of information sources based on user location. The generation of such lists has long been well-understood, routine, and conventional, as explained above. Nor do the claims recite any novel type of information or a new way of gathering, cataloguing, or transmitting that information.” *British Telecomm.*, 381 F. Supp. 3d at 313 (“The apparatus and method contemplated by the patent could be replaced by a travel agent who receives a phone call from a traveler and then provides the traveler with a list of restaurants near the traveler’s location.”)

*Appendix B***IV. CONCLUSION**

The '188 Patent claims the well-known process of performing a background check. While the patent inarguably “turns much of a common pre-employment background investigation . electronic,” such is not enough to make the abstract idea patent eligible. At the end of the day, it remains a “common pre-employment background investigation,” which is not eligible for patent protection. Accordingly, the Motion is **GRANTED** and the above-captioned case is **DISMISSED WITH PREJUDICE**. All pending motions in the above-captioned case not explicitly granted herein are **DENIED AS MOOT**. Defendant shall further recover its costs as the prevailing party. The Clerk of Court is directed to **CLOSE** the above-captioned case.

So ORDERED and SIGNED this 14th day of April, 2022.

/s/ Rodney Gilstrap
RODNEY GILSTRAP
UNITED STATES DISTRICT
JUDGE