

No. 16-1288

IN THE
Supreme Court of the United States

SYNOPSYS, INC.,

Petitioner,

v.

MENTOR GRAPHICS CORPORATION,

Respondent.

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

REPLY BRIEF

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REPLY BRIEF

The Federal Circuit's decision in this case sows further confusion and inconsistency on the proper approach to the § 101 inquiry after *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014). According to the court of appeals, courts in patent cases may not consult the specification in determining whether a patent is "directed to" an abstract idea and must make that determination based solely on explicit claim language, unless a party sought a specific construction during the *Markman* claim construction process. This conflicts with numerous decisions from this Court and the Federal Circuit, warranting this Court's intervention. The Brief of Mentor Graphics Corporation in Opposition (Opp.) serves only to confirm that certiorari is warranted in this case.

Mentor does not dispute that the Federal Circuit's decision here departs from the well-established approach to understanding patents, which has long included examining the specification. Nor does it disagree that the decision here conflicts with the approach for other invalidity doctrines, as well as other Federal Circuit decisions that have relied on the specification to determine whether claims are "directed to" an abstract idea under § 101. Indeed, as the Brief of *Amicus Curiae* The Intellectual Property Law Association of Chicago (IPLAC) illustrates, the Federal Circuit's decision in this case deepens the inconsistency and confusion within the Federal Circuit on the approach to § 101 after *Alice*. Critically, Mentor does not dispute that the Federal Circuit's decision in this case is inconsistent with this Court's decision in *Alice*, where the Court relied on the specification to determine what the claims were "directed to," or in conflict with the Court's explicit direction that the

patent “application” must be “considered as a whole” to determine whether it “contains no patentable invention.” *Parker v. Flook*, 437 U.S. 584, 594 (1978).

Rather than contest any of this, Mentor argues instead that Synopsys did not seek a construction of the asserted claims during the *Markman* claim construction process that would explicitly limit the claims to use on computers and therefore Synopsys has waived any different construction. This is a red herring. Forcing courts to ignore the specification and requiring Synopsys to seek a specific construction of the asserted claims in the *Markman* process, when there is no underlying factual dispute, is precisely the problem Synopsys identified as inconsistent with the Federal Circuit’s and this Court’s precedents. Mentor cannot simply embrace the Federal Circuit’s erroneous holding in this case and assert that Synopsys has waived anything inconsistent with it. Mentor offers nothing to rebut the clear showing that certiorari is warranted on the first question presented.

On the second question presented, Mentor offers only a couple of scant paragraphs that fail to respond to the clear conflicts created by the Federal Circuit’s decision in this case. As Synopsys showed, the Federal Circuit’s decision here creates two conflicts with this Court’s decisions: it breaks from *Alice* by conflating the first and second steps of the § 101 inquiry for certain process patents, and it departs from *Bilski v. Kappos*, 561 U.S. 593 (2010), by resurrecting the machine-or-transformation test rejected by the *Bilski* Court. On *Bilksi*, Mentor offers no response whatsoever, failing even to cite that decision. That conflict alone is sufficient to warrant certiorari. As for the first conflict, Mentor attacks a strawman, contending that the Federal Circuit complied with *Alice* sufficiently by giving lip service to the second-step analysis. However,

Mentor offers nothing to suggest that the Federal Circuit did not conflate the first and second steps for certain process patents. Mentor’s utter lack of any substantive response on the second question is sufficient to warrant summary vacatur. In any event, Mentor’s arguments—or lack thereof—serve only to show that certiorari should be granted.

I. THE CONFLICTS CREATED BY THE DECISION BELOW WARRANT CERTIORARI AND CORRECTION.

In the decision below, the Federal Circuit adopted a rigid test that courts cannot consult the specification to determine whether the patents are “directed to” an abstract idea under § 101. Pet. 14; Pet. App. 20a. Instead, the focus must be solely on the language of the claims, and any limitation not found in the explicit claim language must be sought through a formal *Markman* construction. Pet. App. 20a; Pet. 16–17. As Synopsys showed, this approach is inconsistent with the longstanding approach to ascertaining the meaning of patent claims, an approach that recognizes the specification is critical. Pet. 12–13. It is also inconsistent with the approach to other invalidity doctrines. Pet. 13–14. And, critically, it is inconsistent with this Court’s approach to patent eligibility under § 101. The Court in *Alice* looked to the specification in assessing whether the patent was drawn to an abstract idea, 134 S. Ct. at 2352, and in *Flook*, the Court specifically instructed that the inquiry under § 101 focuses on whether the patent “application, considered as a whole, contains no patentable invention.” *Flook*, 437 U.S. at 594 (emphasis added); Pet. 14.

Mentor does not dispute any of this. Nor does Mentor disagree with Synopsys or *amicus* IPLAC that the court’s decision in this case furthers discord and

inconsistency within the Federal Circuit on the approach to § 101 after *Alice*. Pet. 16; Br. Of *Amicus Curiae* IPLAC 5–9.

Mentor half-heartedly suggests that the panel’s decision may not implicate the question presented because the panel purportedly consulted the specification in the course of its decision. Opp. 12–13; *id.* at 10. However, the panel’s use of the specification occurred almost entirely in the background section of the decision where the court explained the background technology and patents. See Opp. 10; Pet. App. 3a–6a, 8a–10a. And when the panel did reference the specification in the Discussion, it did so to explain how to perform the method. See Pet. App. 17a–18a. Mentor points to nothing that could diminish the panel’s reasoning and holding that, in determining whether patent claims are drawn to an abstract idea, the focus is limited to “the language of the Asserted Claims themselves,” without reference to the specification. Pet. App. 20a. As *amicus* IPLAC explains, “the Federal Circuit took an overly rigid view of the claim language in determining Section 101 compliance, divorced from the remainder of the intrinsic record.” Br. Of *Amicus Curiae* IPLAC 6. The panel so held despite the fact that, among other things, the specification limited the field of invention to implementation on computers. JA56 (col. 1, ll. 26–35); Pet. 15–16.

Because the panel plainly held in this case that courts must ignore the specification at the first step of the § 101 inquiry, Synopsys had no need “to show that other panels of the appeals court have ignored the specification in determining patent eligibility.” Opp. 13. Nonetheless, *amicus* IPLAC shows that other Federal Circuit decisions have taken the same approach as the panel here, in conflict with numerous other decisions of that court. Br. Of *Amicus Curiae*

IPLAC 6, 5–7. When the composition of a judicial panel becomes outcome determinative in patent litigation in the Federal Circuit, this Court should step in to foster uniformity in outcomes.

Mentor’s primary argument in opposition to certiorari is, in essence, an assertion of waiver and that resolution of the question presented would not affect the outcome of this case. Opp. 11–13. This is a red herring. Mentor does not argue that Synopsys waived any argument that the asserted patents are “directed to” implementation on a computer. Nor could it. In each of the filings highlighted by Mentor, Synopsys emphasized that the patented method is directed to implementation on a computer. In its *Markman* briefing, for instance, Synopsys stated that the “Asserted Patents are *directed to* logic synthesis” and that “[l]ogic synthesis is the process of using a computer program” to convert user descriptions of logic circuits into those logic circuits. JA2401 (emphasis added); compare Opp. 3.¹

Similarly, in its summary judgment briefing, Synopsys explained that the asserted patents “are *directed to* one form of [electronic design automation] known as ‘logic synthesis,’” and that “[s]ynthesis’ is the process of using a computer tool to ‘synthesize’ a human designer’s descriptions of the operations of an [integrated circuit] and then generate the electronic circuit components.” JA3209 (emphasis added); compare Opp. 3. Indeed, the district court acknowledged in its summary judgment decision that the patented method was “primarily designed for use by a computer.” Pet. App. 40a. And even the Federal Circuit recognized Synopsys’s consistent position that

¹ Mentor’s expert admitted that synthesis requires a computer. JA5428–29.

the asserted patents are directed to implementation of the method on computers. The court explained that “Synopsys may be correct that the inventions of the Gregory Patents were intended to be used in conjunction with computer-based design tools.” Pet. App. 20a; *id.* at 20a n.12 (“Synopsys repeatedly describes the claimed methods as implemented on a computer”).

Mentor does not address Synopsys’s consistent position on what the asserted patents are directed to generally or for purposes of § 101. Instead, Mentor’s argument focuses on Synopsys’s supposed “*claim-construction position*,” Opp. 11 (emphasis added)—that is, that Synopsys purportedly could have sought a construction during claim construction that limited the claims to use on a computer, but did not. See, e.g., *id.* at 6 (contending that Synopsys “disputed no claim construction and sought no claim construction”). However, ignoring the specification and requiring Synopsys to seek a specific, limiting construction (when there is no underlying factual dispute) to determine what a patent is “directed to” under § 101 is precisely the problem Synopsys identified as inconsistent with the Federal Circuit’s and this Court’s precedents. Pet. 16–17. It is wholly insufficient for Mentor to embrace the Federal Circuit’s erroneous holding in this case and assert that Synopsys has waived anything inconsistent with it. Mentor offers no response to the showing that it is inconsistent with this Court’s and Federal Circuit precedent to require a specific construction through a formal *Markman* process for a limitation that is clear in light of the specification, and lacking any underlying factual dispute. See *id.*

Moreover, Synopsys had no reason to seek a construction limiting the invention to use on a

computer. The products accused of infringement are computer-based programs. Synopsys made plain that the asserted patents are directed to implementation on computers. And the patents themselves state that the field of invention is computer based. JA56 (col. 1, ll. 26–35); Pet. 15–16.

Mentor makes much about statements regarding the ability of a skilled designer to perform the patented method with pencil and paper. Opp. 3, 4, 5–6, 10. But the evidence was simply that it was *possible* for the inventors to perform the calculations with pencil and paper because they had created the invention. JA3742–43. Those statements nowhere suggest that the actual claims are directed to anything other than implementation of the method on a computer.² The same goes for statements made at oral argument. Opp. 7. Counsel for Synopsys merely acknowledged that it is possible for a skilled designer (e.g., the inventors) to perform the method with pencil and paper. That acknowledgement does not suggest the asserted patents are directed to anything other than implementation on a computer. Indeed, several witnesses confirmed that human designers without a computer had not and would not use the claimed process. JA3726–27; JA3742–43; JA3753; JA3758–60. Mentor’s assertion that Synopsys’s stance was “the claims require no computer,” Opp. 7, is simply wrong.

Finally, Mentor’s assertion that the first question presented seeks an advisory opinion, Opp. 12–13, is incorrect. Synopsys demonstrated that under the

² The panel’s reference to the specification, which Mentor emphasizes, merely suggests that it might be possible for a skilled artisan to perform the method with pencil and paper, and points to the inventors as the sole confirmation of this. See Opp. 10; Pet. App. 17a–18a; JA3742–43.

correct standard rejected by the Federal Circuit, the result would have been different because the specification shows the patented claims are directed to implementation on a computer. Pet. 15–16. Mentor has no response other than to assert that the court of appeals cited the specification. As shown, Mentor’s argument is unavailing. See *supra*, p.4.

II. MENTOR HAS NO RESPONSE TO THE LOWER COURT’S ERRORS ON THE SECOND STEP UNDER ALICE.

As Synopsys demonstrated, the Federal Circuit’s decision on the second step of *Alice* conflicts with two decisions from this Court: (1) it breaks from this Court’s decision in *Alice* by effectively eliminating the second step of the § 101 inquiry for certain process patents; and (2) it revives the “machine-or-transformation” test that this Court rejected in *Bilski*. Pet. 21–23.

Mentor has no response whatsoever to the Federal Circuit’s break from the Court’s decision in *Bilski*. See Opp. 13–14. Mentor nowhere even cites *Bilski*, much less answers Synopsys’s argument. Accordingly, Mentor essentially concedes the Federal Circuit’s departure from this Court’s binding precedent. The Court can grant certiorari or summarily vacate on this ground alone.

On the first conflict created by the lower court’s decision in this case, Mentor fares no better. Mentor asserts that Synopsys “contends that the appeals court skipped the second (‘inventive concept’) step” and argues that the Federal Circuit in fact did “analyz[e] the ‘inventive concept’ second step.” Opp. 13. But this erects a strawman. Synopsys did not argue that the Federal Circuit “skipped” the second step. Rather, Synopsys showed that the Federal Circuit’s analysis of

the second step erroneously conflated the first and second steps for certain process patents, essentially creating a *per se* rule that is inconsistent with *Alice*. Pet. 21. Mentor offers no response to this or otherwise suggests that the Federal Circuit did not in fact conflate the first and second steps for certain types of process patents. The Federal Circuit's error warrants certiorari, or summary vacatur, on this basis alone.

CONCLUSION

For the foregoing reasons, and those in the petition, the Court should grant the petition, or summarily vacate the decision.

Respectfully submitted,

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