

American Axle Driveshaft Patent Survives Alice On Remand

By [Ryan Davis](#) · [Listen to article](#)

Law360 (August 1, 2023, 9:13 PM EDT) -- A Delaware federal judge has rejected Neapco's bid to invalidate an American Axle vehicle driveshaft patent for claiming only an abstract idea, setting the stage for a trial in the lengthy case that has already spurred a high-profile [U.S. Supreme Court](#) appeal.

In a July 19 [decision](#) unsealed Friday, Judge Gregory Williams granted summary judgment to American Axle that some claims of its patent do not fail the patent eligibility test set by the Supreme Court's 2014 *Alice v. CLS Bank* [decision](#). He said those claims do not simply cover the abstract idea of tuning driveshaft liners to reduce vibration, as accused infringer Neapco contended.

"Far from an abstract idea, the claims are directed to a tangible system, or a method of using such a system, with an observable real-world impact," Judge Williams concluded.

The judge also denied American Axle's motion for summary judgment that the same claims are not invalid as anticipated by an earlier invention, as well as Neapco's bid for a ruling that it doesn't infringe. Both questions present factual issues for a jury to resolve, he said.

The case, which American Axle filed in 2015, returned to district court after years in the patent spotlight. It has involved a bitterly divided decision on patent eligibility by the full Federal Circuit that rendered some claims of the patent invalid, and an appeal that the Supreme Court rejected, despite the U.S. government pleading for more clarity on which inventions are eligible for patents.

In 2018, then U.S. District Judge Leonard Stark [granted](#) Neapco summary judgment that many claims of American Axle's patent are invalid for covering only a law of physics known as Hooke's law, which deals with the frequency at which objects vibrate. The judge said that rendered the claims invalid under *Alice*, which held that abstract ideas and laws of nature are not patent eligible.

A Federal Circuit panel [affirmed](#) that decision on all the claims in 2019. The following year, the panel issued a modified decision affirming Judge Stark's findings on some claims, but remanding for further proceedings on other claims, saying they are "more general" than the ones the appeals court agreed were ineligible.

The same day the panel issued its modified opinion, the full Federal Circuit [voted 6-6](#) on American Axle's petition for en banc rehearing. That left the decision in place because a majority of the judges did not vote in favor of review.

In dissent, Judge Kimberly Moore wrote that the ruling will "lead to insanity" because Hooke's law is not mentioned in the patent, and "unstated natural laws lurk in the operation of every claimed invention." Other judges filed heated opinions defending or decrying the ruling.

U.S. Solicitor General Elizabeth Prelogar later [urged](#) the Supreme Court to hear American Axle's [appeal](#) of the part of the decision that held some claims invalid. The government said the industrial processes like driveshafts have long been patent eligible, so the decision "reflects substantial uncertainty" about patent eligibility law after Alice, and the case was a "suitable vehicle for providing greater clarity."

The filing was joined by many other [amicus briefs](#) urging the court to take the case, but those pleas fell on deaf ears, as the high court [rejected the appeal](#) in June 2022.

The case then headed back to the district court, now overseen by Judge Williams since Judge Stark has been elevated to the Federal Circuit, for the remand on some claims of the patent that the Federal Circuit ordered in 2020.

This time, Neapco made a different argument for why the remaining claims are invalid for claiming patent ineligible subject matter. It said they cover only the abstract idea of tuning liners in the driveshaft to reduce vibration, rather than arguing they claim only Hooke's law.

Neapco defended Judge Stark's decision to the Federal Circuit by claiming that the patent covered both a natural law and an abstract idea, but the appeals court noted that the company did not make the abstract idea argument in district court.

American Axle told Judge Williams that Neapco had therefore waived the abstract idea

argument. However, the judge pointed out that the Federal Circuit specifically remanded the case so the abstract idea argument could be addressed in the first instance. But he said he was not persuaded by it.

Judge Williams held that the patent claims describe making "a tangible propshaft with reduced vibration," so "the court finds that [the claims] are not directed to an abstract idea and, therefore, are patent eligible subject matter."

Counsel for the parties could not immediately be reached for comment Monday.

The patent at issue is U.S. Patent No. 7,774,911.

American Axle is represented by James Nuttall, Katherine Tellez, John Abramic, Robert Kappers and Boyd Cloern of [Steptoe & Johnson LLP](#) and Brian Biggs and Jeff Castellano of [DLA Piper](#).

Neapco is represented by J. Michael Huget, Sarah Waidelich and Dennis Abdelnour of [Honigman LLP](#) and Melanie Sharp and Robert Vrana of [Young Conaway Stargatt & Taylor LLP](#).

The case is [American Axle & Manufacturing Inc.](#) v. Neapco Holdings LLC, case number [1:15-cv-01168](#), in the [U.S. District Court for the District of Delaware](#).

--Editing by Emily Kokoll.

For a reprint of this article, please contact reprints@law360.com.

0 Comments

Your name will appear next to your comment. If you do not disclose your full name, your comment will be deleted. Your email address will not be visible to the public. [Related Articles](#)

[Neapco Urges Court To Toss American Axle Driveshaft Patent](#)

[Solicitor General Urges Justices To Take Up American Axle](#)

High Court Told Alice Has Not Caused Patent 'Chaos'

Driveshaft Paten