Return Mail Becomes Latest 101 Petition Denied by SCOTUS

Nov 19, 2024

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Yesterday, the U.S. Supreme Court published an order list indicating it had denied a petition for writ of certiorari in *Return Mail, Inc. v. United States*, leaving in place lower court rulings invalidating Return Mail's patent claims covering methods for processing undeliverable mail. While Return Mail saw a successful outcome from its first trip to the Supreme Court in 2019, this cert denial represents yet another missed opportunity to answer calls from all three branches of the U.S. federal government to clarify the abstract idea exception to patentability under 35 U.S.C. § 101.

Return Mail filed an infringement suit against the U.S. federal government in the U.S. Court of Federal Claims (CFC), alleging that the U.S. Postal Service implemented a method for processing mail

that infringed upon U.S. Patent No. 6826548, *System and Method for Processing Returned Mail*. The U.S. government then challenged the validity of the ‘548 patent by filing for covered business method (CBM) review at the Patent Trial and Appeal Board, which invalidated the challenged patent claims under Section 101.

However, Return Mail appealed that ruling all the way to the Supreme Court, which ruled in June 2019 that the federal government was not a “person” as required to petition for validity trials at the PTAB. On remand, the CFC determined that the ‘548 patent was directed to the abstract idea of processing returned mail and relaying mailing address information. This February, the U.S. Court of Appeals for the Federal Circuit affirmed the CFC’s ruling in a Rule 36 summary opinion.

Federal Circuit’s ‘Confused Doctrine’ Leads to Arbitrary Decisions Under Section 101

Return Mail’s petition for writ, filed with the Supreme Court this July, notes that calls to revisit the patent eligibility test under Section 101 have been made by each branch of the federal government. In the federal judiciary, not only has the Federal Circuit issued decisions calling for clarification of the *Alice/Mayo* test, the Supreme Court itself has called twice for the views of the U.S. Solicitor General, who recommended review by the Supreme Court in both Section 101 cases. Further, the U.S. Patent and Trademark Office has struggled to develop guidelines to apply *Alice/Mayo*, and the bipartisan leadership of the Senate IP Subcommittee have also criticized the effect of Section 101’s expansion on American innovation.

The Federal Circuit’s application of the *Alice/Mayo* framework requires a course correction, Return Mail argued. Not only has the nation’s appellate court responsible for patent appeals conflated several patentability statutes with the Section 101 inquiry, including

novelty, obviousness and enablement, the Federal Circuit's expansion of *Alice/Mayo* has improperly converted factual issues into legal ones. "The Federal Circuit's confused [Section 101] doctrine" has led to arbitrary and irreconcilable results, including the invalidation of patent claims to digital cameras, vehicle charging stations and driveshafts, said the petition.

Return Mail had contended that its appeal presented several Section 101 issues making it a good vehicle to clarify the *Alice/Mayo* test, including the blurring of patentability statutes and conflating both steps of the patent eligibility test. Further, the factual record leading up to the CFC's summary judgment ruling was well-developed, and the technology at issue is comparatively less complex than those involved in other Section 101 cases. Return Mail argued that a proper application of Section 101 would allow the Supreme Court to reverse erroneous lower court rulings instead of simply clarifying the test and remanding.

SCOTUS Also Denies Petitions on Constitutional Standing, Scope of Appellate Review

While *Return Mail* was the only Section 101 case denied cert this week, the Supreme Court also punted on a pair of other patent law petitions yesterday. The Federal Circuit's May 2024 ruling on constitutional standing in patent cases was preserved when the Court denied the petition filed in *Zebra Technologies v. Intellectual Tech*. Zebra Technologies had challenged the Federal Circuit's determination that Intellectual Tech met the injury-in-fact requirement for constitutional standing despite defaulting on a security agreement that gave a third party the right to sell or assign patent rights asserted in the case.

The Supreme Court also nixed a challenge to the Federal Circuit's scope of appellate review lodged in the petition for writ filed in *Norwich Pharmaceuticals v. Salix Pharmaceuticals*. This April, the Federal Circuit affirmed a district court ruling invalidating Salix patent claims covering an irritable bowel syndrome treatment. Circuit Judge Tiffany Cunningham authored a dissenting opinion arguing that the panel majority improperly made factual findings in the first instance for its reasonable likelihood of success analysis, a point which Salix focused on in its own petition for writ, which remains pending with the Court.