

Siemens, GlobalFoundries Kill Chip Design IP Under Alice

By **Hannah Albarazi**

Law360 (July 3, 2024, 6:31 PM EDT) -- Siemens and GlobalFoundries nabbed a major win Tuesday when a Delaware federal magistrate judge granted the semiconductor makers' summary judgment bids in a patent infringement case, holding that the chip design patents the companies are accused of infringing are invalid under Alice.

U.S. Magistrate Judge Christopher J. Burke held that patents issued to Oasis Tooling, a software developer for the semiconductor and fabrication industry, that cover methods of analyzing data to prepare computer chip designs for manufacturing, are directed to an abstract idea, declaring in his memorandum opinion that "all that remains here are generic, conventional computer components or data structures that are utilized in a routine way."

"Claims that simply allow for more efficient implementation of an abstract idea, or that only allow for the speeded-up automation of work that humans otherwise could do much more slowly, do not provide a sufficient inventive concept," Judge Burke held.

The judge's ruling comes a little over two years after Oasis Tooling sued Siemens Industry Software Inc. and GlobalFoundries U.S. Inc. in early 2022 for patent infringement. Siemens and GlobalFoundries, however, urged the court to dismiss the claims, arguing that Oasis Tooling's asserted patents were directed to patent-ineligible subject matter.

But in March 2023, the judge denied motions to dismiss the claims. Later that year, the judge issued a memorandum opinion and order on claim construction.

Siemens and GlobalFoundries moved for summary judgment in February, contending yet again that the asserted claims are directed to patent-ineligible subject matter under Section 101 of the U.S. Patent Act — which establishes categories of inventions that may be eligible for a patent. This time, they argued that the patent merely analyzes via parsing, standardizing, digesting and comparing data to identify similarities and differences.

In the memorandum opinion issued Tuesday, Judge Burke reviewed claim 14 of U.S. Patent No. 7,685,545 — which he treats as representative of the other claims at issue — using the two-part test for patent eligibility set out in the U.S. Supreme Court's 2014 decision, *Alice Corp. Pty. Ltd. v. CLS Bank Int'l.*

Judge Burke, who in a footnote states that the Alice decision came down a few years after Oasis' two

patents were issued, held that at step one of Alice the asserted claim is "clearly" directed to an abstract idea.

Judge Burke said the two claimed concepts — "(1) producing 'canonical forms' that 'reduce sensitivity of data analysis to non-functional variations in the design data' and (2) 'digest[ing]' those canonical forms — are abstract ideas that can be accomplished in the human mind."

"That conclusion is only further bolstered when assessing plaintiff's step one counterarguments, which are not winning ones," wrote the judge.

Turning to step two of the Alice test — determining whether the claim contains an inventive concept sufficient to transform the claimed abstract idea into a patent-eligible application — Judge Burke wrote that "it is clear to the court that these two claimed features could not (whether considered individually or together) amount to an inventive concept."

The judge explained that because the record indicates no inventive concept in the asserted claims, the claims fail Alice's second step and that Oasis Tooling's patent is thus ineligible.

On Wednesday, Judge Burke issued an oral order instructing the parties to submit a joint status report and a joint proposed final judgment by July 8.

Representatives and counsel for the parties did not immediately respond to a request for comment Wednesday.

The patents-at-issue are U.S. Patent Nos. 7,685,545 and 8,266,571.

GlobalFoundries is represented by Clement Naples, Gabriel K. Bell, Giri Pathmanaban, Thomas W. Yeh, Brett M. Sandford, Daniel S. Todd and Joe Akalski of Latham & Watkins LLP.

Siemens is represented by Karen Jacobs and Cameron P. Clark of Morris Nichols Arsht & Tunnell LLP, John D. Vandenberg and Kristin L. Cleveland of Klarquist Sparkman LLP and Michael A. Pearson Jr. and James John Lomeo of Kirkland & Ellis LLP.

Oasis Tooling is represented by Philip A. Rovner and Nicole Kathleen Pedi of Potter Anderson & Corroon LLP and Paul J. Andre, Jennifer L. Gilbert, Lisa Kobialka, James R. Hannah, Timothy Layden and Aaron M. Frankel of Kramer Levin Naftalis & Frankel LLP.

The case is Oasis Tooling, Inc. v. Siemens Industry Software, Inc., case number 1:22-cv-00151, in the U.S. District Court for the District of Delaware.

--Editing by Michael Watanabe.