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# Appellate MVP: Gibson Dunn's Mark Perry

By **Kat Greene**

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In a ruling that shook the patent world to its core, the U.S. Supreme Court in June unanimously agreed with Gibson Dunn partner Mark Perry's argument on behalf of CLS Bank International that abstract ideas implemented using a computer aren't eligible for a patent, landing him a spot on Law360's list of Appellate MVPs.

Mark Perry

The justices had unanimously affirmed the Federal Circuit's decision that nonpracticing entity Alice Corp.'s patents claimed nothing more than the abstract concept of managing risk in financial trading using a computer, drawing a line in the sand for software patent holders on what the high court views as eligible.

Perry said this victory was, in part, the result of bringing the right case at the right time. The Supreme Court ostensibly has taken an interest in intellectual property cases in what Perry called a "banner year" for IP — and the question the suit presented seemed to be of particular interest to the justices.

"This eligibility question in particular is an area that has interested them clearly, and that helps," Perry said.

CLS hired Gibson Dunn to take on the case after a split Federal Circuit panel overturned a trial court's invalidation of Alice's patents for a computerized trading platform, Perry said. He persuaded the appeals court to take the case en banc.

Arguing the case before the Federal Circuit, which has historically specialized in hearing patent disputes, was especially tricky, Perry said. He and his team had to find a way to pitch the case in a way that would win for his client without raising a concern among the judges that a judgment in CLS' favor would wipe out a large number of patents — a move the Federal Circuit might balk at.

He had a blueprint of sorts to follow from the Supreme Court's ruling in Bilski v. Kappos, in which the court rejected an application for a patent for hedging losses, finding that the investment strategy

presented in the application was too abstract to be patentable, Perry said.

“It’s an elusive concept and hard to pin down, frankly,” Perry said. “That was one of the issues we confronted.”

The question of what an abstract idea is, was a particular hurdle Perry and his team faced, he said.

“The court has said for over a hundred years that an abstract idea is not patentable, but has never attempted a definition of what kinds of ideas are not,” he said.

The high court agreed with Perry that reciting the terms and concept of a long-existing idea or strategy — a method for settling foreign currency transactions, in the CLS suit — and simply adding “apply it with a computer,” as Alice Corp. had, wasn’t enough to earn it a patent.

Perry says the ability to construct those arguments is fueled in part by stepping outside his natural reactive instincts as an attorney.

“As litigators, we are often, by nature, reactive. We are responding to things that happened in the past. Lawsuits are brought based on historical events,” he said. “But the litigation process moves forward. So we have to turn around and look ahead, to see what’s happening with the clients and with the courts.”

And because he works at a large firm, he has a large pool of resources to draw from, Perry said.

“Major matters on appeal are never one-person enterprises,” he said. “They need tremendous numbers of people involved in each piece. Appellate lawyers in particular are generalists, but here, I’m surrounded by experts who can help me.”

The subject matter itself also means that his clients are highly invested in his work, he said.

“At the Supreme Court level, everyone is more interested. The stakes are higher,” he said. “There is inevitably more public scrutiny. All of a sudden it’s in the newspaper, it’s in the board room.”

That makes the appellate cases he takes on a joint enterprise between him and his clients, who take an interest in his work and get involved. It’s a process that helps him solve difficult legal problems in high-stakes appeals.

For client Lawson Software Inc., those stakes included an $18.1 million sanction. In that case, Perry had persuaded the Federal Circuit to reverse an injunction and a contempt fine against Lawson while the case was still being litigated, after the U.S. Patent and Trademark Office found the patent at issue was invalid.

In a precedential ruling in late July, the three-judge panel found that because the USPTO invalidated the patent claim on which Lawson’s alleged infringement finding hinged, the injunction on sales of two of Lawson’s software configurations was no longer valid. The majority also held that the fine the district court entered against Lawson for allegedly violating the injunction had been rendered inappropriate by the USPTO’s claim invalidation, although Circuit Judge Kathleen M. O’Malley dissented from its view that the court’s holding in Fresenius USA Inc. v. Baxter International Inc. required the fine be vacated.

Perry said he expects to see more cases like the Lawson suit, in which administrative decisions about

patents are being made even as they're being litigated in court.

The America Invents Act's expansion on administrative remedies in patent disputes has added a new dimension to patent litigation, in that re-examinations by the USPTO and other administrative mechanisms to determine the validity of patents have multiplied and continue to grow, according to Perry.

With the administrative process and litigation process moving at different speeds, it's likely he'll see more cases where litigation goes on even as administrative decisions are being made, Perry said. Then, the question of which of those decisions takes precedence will arise, he said.

"How that will play out, nobody knows yet," Perry said.

--Additional reporting by Allissa Wickham and Ryan Davis. Editing by Edrienne Su.

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