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8
 9 **UNITED STATES DISTRICT COURT**
 10 **FOR THE EASTERN DISTRICT OF CALIFORNIA**

KAYE SCHOLER LLP

12 ICONFIND, INC.,)

Case No. 2:11-CV-00319 GEB JFM

13 Plaintiff,)

**DEFENDANT GOOGLE INC.'S
 MEMORANDUM IN SUPPORT
 OF ITS MOTION FOR JUDGMENT ON
 THE PLEADINGS OF INVALIDITY OF
 U.S. PATENT NO. 7,181,459**

14 v.)

16 GOOGLE INC.,)

Date: May 16, 2011
 Time: 9:00am
 Location: Courtroom 10
 The Honorable Garland E. Burrell, Jr.

18 Defendant.)

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NOTES ON CITATIONS

The patent-in-suit, U.S. Patent No. 7,181,459 (“the ’459 patent”), is attached as Exhibit 1 to the Declaration of Kenneth Makish (the “Makish Decl.”). References to the ’459 patent are indicated by column and line number. A reference to “3:15” means column 3, line 15.

Concurrent with its Motion on the Pleadings, Google has filed its Request for Judicial Notice of the Prosecution History of U.S. Patent No. 7,181,459. While Google does not believe that the Court need consult the Prosecution History in order to reach resolution of this matter, reference to the Prosecution History is illuminating and corroborates Google contention that the ’459 patent is invalid pursuant to 35 U.S.C. § 101.

Relevant portions of the Prosecution History are attached to the Makish Decl., as follows:

<i>Exhibit</i>	<i>Description</i>
2	Patent Application of Lee H. Grant and Susan A. Capizzi for Method of Coding, Categorizing, and Retrieving Network Pages and Sites dated February 22, 2002 in U.S. Patent Application No. 10/082,596.
3	Office Action Summary dated May 24, 2004 in U.S. Patent Application No. 10/082,596.
4	Response to Official Action dated June 22, 2004 in U.S. Patent Application No. 10/082,596.
5	Amendment in Response to Non-Final Office Action dated April 27, 2005 in U.S. Patent Application No. 10/082,596.
6	Office Action Summary dated July 11, 2005 in U.S. Patent Application No. 10/082,596.
7	Amendment After Final Action (37 C.F.R. Section 1.116) dated September 8, 2005 in U.S. Patent Application No. 10/082,596.

1 **I. INTRODUCTION**

2 The Supreme Court has recently reminded us that Section 101 of the Patent Act has its
3 limits – abstract ideas are not patentable. *Bilski v. Kappos*, 130 S. Ct. 3218, 3225 (2010) (“*Bilski*
4 *II*”). Both the Supreme Court and recent decisions applying this guidance have found that adding
5 to an abstract idea the notion of implementing it on a computer does not make the idea patentable.
6 The claims of the ’459 patent are exactly that: an abstract idea simply implemented on a
7 computer.

8 In fact, the prosecution history of the ’459 patent makes this point abundantly clear.
9 Initially, the Examiner rejected all of the claims as invalid under Section 101 because all the
10 claims were all directed to an abstract idea. Rather than respond to the substance of this rejection,
11 and without attempting to argue to the contrary, the patentee merely altered the preamble of its
12 claims to include the phrase “a computer implemented method” in an attempt to tie the abstract
13 concepts of its patent claims to a machine (i.e., a general purpose computer). As the Supreme
14 Court has recently made clear, however, abstract ideas – which are unpatentable as a matter of
15 law – cannot otherwise be made patentable simply by directing them to run on a general purpose
16 computer. In short, the Examiner’s initial rejection was correct and the patentee’s “cure” is
17 insufficient as a matter of law.

18 Because the claims of the ’459 patent are directed to non-patentable subject matter, Google
19 requests that this Court grant its Motion for Judgment on the Pleadings of Invalidity of the ’459
20 Patent, pursuant to FED. R. CIV. P. 12 (C).¹

21 _____
22 ¹ The issue of patentable subject matter is a question of law. *In re Comiskey*, 554 F.3d 967, 975
23 (Fed. Cir. 2009). Accordingly, Google believes that no additional matters beyond those relating to
24 the pleadings (including the ’459 patent) need be considered. Because the Prosecution History of
25 the ’459 patent provides background and corroboration of the issues raised in this motion, Google
26 requests, through its concurrently filed Request for Judicial Notice, that this Court take judicial
27 notice of the Prosecution History of the ’459 patent (although Google does not believe that the
28 Court must necessarily consider the Prosecution History in order to reach a determination). *See,*
e.g., Advanced Micro Devices v. Samsung Elecs. Co., 2010 U.S. Dist. LEXIS 24243 (N.D. Cal.

(continued...)

1 **II. BACKGROUND**

2 Plaintiff’s suit, filed February 4, 2011, relates to allegations of infringement of the ’459
3 patent against Google’s Picasa, Knol, and Books web properties. Complaint, ¶ 5, Dkt No. 1. The
4 ’459 patent is entitled “Method of Coding, Categorizing, and Retrieving Network Pages and
5 Sites” and generally relates to a method of categorizing pages on network. ’459 patent, Abstract.

6 The application leading to the ’459 patent was filed February 22, 2002, and initially
7 included 50 claims. Ex. 2. On May 24, 2004, the Examiner issued a restriction requirement,
8 essentially indicating that the application was directed to two independent concepts and requiring
9 the patentee to narrow its application to a single concept. Ex. 3. The patentee then narrowed the
10 application to 32 claims (*i.e.*, the initial 32 claims of its original application). Ex. 4.

11 In response to an office action dated January 27, 2005, rejecting all the claims of the
12 application, the patentee made various amendments to the claims, canceled one of its claims, and
13 added one additional claim. Ex. 5. Nevertheless, on July 11, 2005, the Examiner issued another
14 rejection in which it rejected all of the pending claims of the application. Ex. 6. Among the bases
15 of rejection, the Examiner rejected all of the claims of the application as failing to be directed to
16 patentable subject matter pursuant to 35 U.S.C. § 101 indicating:

17 Note as presently written **the claim simply recites a series of steps [of] an**
18 **abstract idea that can be implemented with a pen and paper.** The examiner
19 suggests including [a] limitation such as “a computer implemented method” to
20 clarify that the series of steps are implemented on a computer.

21 *Id.* at 2 (emphasis added). As part of its response, on September 8, 2005, patentee amended its
22 claims in accord with the Examiner’s suggestion altering the preamble of the claims to read “a
23 computer implemented method.” Ex. 7. Thereafter, the Examiner withdrew the objection to the
24 claims with respect to the patentable subject matter rejection. Although there was continued back-

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26 Mar. 15, 2010) (indicating that, in determining a Motion on the Pleadings, “courts may consider
27 exhibits submitted or referenced in the complaint and matters that may be judicially noticed
28 pursuant to Federal Rule of Evidence 201”).

1 and-forth between the examiner and the patentee prior to the claims being allowed, there were no
2 further rejections based on 35 U.S.C. § 101.

3 The Examiner's initial rejection pursuant to Section 101 was correct because the claims
4 were – and are – directed towards an abstract idea that, as a matter of law, is not eligible for patent
5 protection. As discussed below, notwithstanding the Examiner's suggestion, recent case law,
6 including from the Supreme Court, makes clear that abstract ideas, such as those embodied in the
7 claims of the '459 patent, cannot be made patentable merely by tying such concepts to a general
8 purpose computer. Simply taking an unpatentable abstract idea and adding "extra-solution"
9 language to the effect that the idea should be implemented on a computer does not make the
10 abstract idea patentable.

11 **III. LEGAL STANDARD**

12 "After the pleadings are closed but within such time as not to delay the trial, any party
13 may move for judgment on the pleadings." FED. R. CIV. P. 12 (C). "Judgment on the pleadings is
14 proper when the moving party clearly establishes on the face of the pleadings that no material
15 issue of fact remains to be resolved and that it is entitled to judgment as a matter of law." *Hal*
16 *Roach Studios, Inc. v. Richard Feiner & Co.*, 896 F.2d 1542, 1550 (9th Cir. 1989). In resolving
17 such a motion, "the allegations of the non-moving party must be accepted as true, while the
18 allegations of the moving party which have been denied are assumed to be false." *Id.*

19 Whether a claim is drawn to patent-eligible subject matter under Section 101 of the Patent
20 Act is an issue of law that is a threshold inquiry into a patent's validity. *In re Bilski*, 545 F.3d
21 943, 950 (Fed. Cir. 2008) (*en banc*) ("*Bilski I*"). Any claim failing the requirements of Section
22 101 of the Patent Act "must be rejected even if it meets all of the other legal requirements of
23 patentability." *Id.*

24 35 U.S.C. § 101, which governs patentable subject matter reads: "Whoever invents or
25 discovers any new useful process, machine, manufacture, or composition of matter, or any new
26 and useful improvement thereof, may obtain a patent therefor, subject to the conditions and
27

1 requirements of this title.” While broad in scope, the framework of what constitutes appropriate
2 subject matter under 35 U.S.C. § 101 is not unlimited. The Supreme Court has identified three
3 exceptions to the Patent Act’s scope: (1) laws of nature; (2) physical phenomena; and (3) abstract
4 ideas. *Bilski v. Kappos*, 130 S. Ct. 3218, 3225 (2010) (“*Bilski II*”); *see also Gottschalk v. Benson*,
5 409 U.S. 63 (1972); *Parker v. Flook*, 437 U.S. 584 (1978); *Diamond v. Diehr*, 450 U.S. 175
6 (1981). As the Court in *Benson* explains, “[p]henomena of nature, though just discovered, mental
7 processes, and abstract intellectual concepts are not patentable, as they are the basic tools of
8 scientific work.” *Benson*, 409 U.S. at 185. As the Supreme Court has explained, these
9 exceptions are consistent with 35 U.S.C. § 101’s requirement that a patentable invention be “new
10 and useful.” *Bilski II*, 130 S. Ct. at 3225.

11 As discussed further below, whether one applies the “machine-or-transformation” test of
12 *Bilski I* or conducts the claim comparison analysis of *Bilski II*, one must conclude that these claims
13 are invalid under Section 101. *Accord, Bancorp Servs., L.L.C. v. Sun Life Assur. Co. of Can.*, 2011
14 U.S. Dist. LEXIS 14272 at *24 (E.D. Mo. Feb. 14, 2011) (“In making this decision, the Court will
15 first consider whether the claims satisfy the machine-or-transformation test and then will apply
16 *Bilski [II]* and examine whether what is claimed is an abstract idea under *Benson*, *Flook*, and
17 *Diehr*.”). The Examiner was correct to note that the claims as filed were a mere abstract idea.
18 Adding “extra-solution” activity in the form of the words “a computer implemented method” does
19 nothing to change this. The court should reject all claims of the ’459 patent as unpatentable under
20 35 U.S.C. § 101.

21 **IV. ARGUMENT**

22 The ’459 patent contains 31 claims, three of which are independent. Claim 1, which is
23 illustrative of the other claims reads:

24 1. A computer implemented method of categorizing a network page,
25 comprising:

26 providing a list of categories, wherein said list of categories include a
27 category for transacting business and a category for providing information,

1 and wherein said list of categories include a category based on copyright
2 status of material on a page;

3 assigning said network page to one or more of said list of categories;

4 providing a categorization label for the network page using the copyright
5 status of material on the network page; and

6 controlling usage of the network page using the categorization label and the
7 copyright status of the network page.

8 '459 patent, 12: 24-38. Claims 2 through 29 all ultimately depend from claim 1 and include
9 additional elements such as categorization by subject matter, categorization by copyright status
10 of the material on the page, categorization based on the types of files associated with a page, and
11 various other similar refinements. Claim 30 is an independent claim which provides the
12 additional limitation over Claim 1 of providing a categorization code for labeling the network
13 page with a categorization label, "wherein said categorization label indicates a set of categories
14 and subcategories to which the network page is assigned." Claim 31, also an independent claim,
15 is identical to Claim 1 save that categorization of copyright status is restricted to the "public
16 domain, fair use only, use with attribution, and permission of copyright owner needed." All of
17 the independent claims (and, by extension, all of the dependant claims as well), recite the
18 language "a computer implemented method."

19 A. The Claims of the '459 Patent Fail the Machine-or-Transformation Test

20 To determine whether a method claim is directed towards patentable subject matter, a
21 court may apply the machine-or-transformation test for guidance. *Prometheus Labs., Inc. v.*
22 *Mayo Collaborative Servs. & Mayo Clinic Rochester*, Case No. 2008-1403, 2010 U.S. App.
23 LEXIS 25956, *19-20 (Fed. Cir. Dec. 17, 2010). Under this test, an invention may be patentable
24 (assuming it meets the other requirements of patentability) if "(1) it is tied to a particular machine
25 or apparatus, or (2) it transforms a particular article into a different state or thing." *Bilski I*, 545
26 F.3d at 954. The Federal Circuit further clarified that "the use of a specific machine or
27 transformation of an article must impose meaningful limits on the claim's scope to impart patent-

1 eligibility” and “the involvement of the machine or transformation in the claimed process must
2 not entirely be insignificant extra-solution activity.” *Id.* at 961-62.

3 While the Supreme Court’s decision in *Bilski II* indicates that the machine-or-
4 transformation test is not the sole test for patentability, as acknowledged in numerous post-*Bilski II*
5 decisions, it remains an important test for assessing patentable subject matter. *King*
6 *Pharmaceuticals, Inc. v. Eon Labs, Inc.*, 616 F.3d 1267, 1278 (Fed. Cir. 2010) (“We . . . understand
7 the Supreme Court to have rejected the exclusive nature of our test, but not necessarily the wisdom
8 behind it.”); *CLS Bank Int’l v. Alice Corp. Pty, Ltd.*, 2011 U.S. Dist. LEXIS 23669, at *34 (D.D.C.
9 Mar. 9, 2011), (“The [machine-or-transformation] test is neither the exclusive nor the dispositive
10 standard to determine whether an invention qualifies as a process under § 101, yet it remains a
11 ‘useful and important clue, an investigative tool’ in the analysis.”) (quoting *Bilski II*, 130 S. Ct. at
12 3227); *Bancorp Servs.*, 2011 U.S. Dist. LEXIS 14272 at *15 (concluding, after comprehensive
13 analysis of various post-*Bilski II* rulings and opinions, that “the machine-or-transformation test
14 remains a useful tool in determining whether a claim is drawn to an abstract idea and thus
15 unpatentable under § 101”); *Ultramercial, LLC v. Hulu, LLC*, 2010 U.S. Dist. LEXIS 93453, at *7
16 (C.D. Cal. Aug. 13, 2010) (“[E]ven after the Supreme Court’s decision in *Bilski*, the machine or
17 transformation test appears to have a major screening function — albeit not perfect — that
18 separates unpatentable ideas from patentable ones.”). Notably, the U.S. Patent and Trademark
19 Office continues to use the machine-or-transformation test as an indicator of patentability. See
20 “Interim Guidance for Determining Subject Matter Eligibility for Process Claims in View of *Bilski*
21 *v. Kappos*,” 75 Fed. Reg. 43,992 (July 27, 2010).

22 **1. The Claims of the ’459 Patent Fail the “Machine” Prong of the Machine-or-
23 Transformation Test**

24 A “machine” is “a concrete thing, consisting of parts, or of certain devices and
25 combination of devices. This includes every mechanical device or combination of mechanical
26 powers and devices to perform some function and produce a certain effect or result.” *SiRF*

1 *Technology, Inc. v. Int'l Trade Com'n*, 601 F.3d 1319, 1332 (Fed. Cir. 2010) (citing *In re*
2 *Ferguson*, 558 F.3d 1359, 1364 (Fed. Cir. 2009).

3 The mere fact that the claims of the '459 patent are "implemented on a computer" does
4 not satisfy the machine prong of the machine-or-transformation test. *Bilski I*, 545 F.3d at 957 ("It
5 is important to note at the outset that not every patent that recites a machine or transformation of
6 an article passes the machine-or-transformation test."). "[T]he use of a specific machine or
7 transformation on an article must impose meaningful limits on the claim's scope to impart patent-
8 eligibility." *Bilski I*, at 961-62. Similarly, "the involvement of the machine or transformation in
9 the claimed process must not merely be insignificant extra-solution activity." *Id.* To permit
10 otherwise would exalt form over substance and permit artful claim drafting to circumvent the
11 limitations contemplated by section 101. *Graff/Ross Holdings LLP v. Fed. Home Loan Mortg.*
12 *Corp.*, 2010 U.S. Dist. LEXIS 141399 (D.D.C. Aug. 27, 2010) (quoting *Flook* at 590)
13 ("Furthermore, according to the Court, '[t]he notion that post-solution activity, no matter how
14 conventional or obvious in itself, can transform an unpatentable principle into a patentable
15 process exalts form over substance. A competent draftsman could attach some form of post-
16 solution activity to almost any mathematical formula.').

17 Various courts, post *Bilski II*, have found that the nominal recitation in a method claim of
18 a general purpose computer such as found in the claims of the '459 patent cannot save such
19 claims from being found unpatentable pursuant to 35 U.S.C. § 101. *See, e.g., CLS Bank Int'l*,
20 2011 U.S. Dist. LEXIS 23669, at *43-44 ("The Court concludes that nominal recitation of a
21 general-purpose computer in a method claim does not tie the claim to a particular machine or
22 apparatus or save the claim from being found unpatentable under § 101."); *Fuzzysharp Techs.,*
23 *Inc. v. 3D Labs, Inc., Ltd.*, Case No. 07-5948, 2009 U.S. Dist. LEXIS 115493, *12 (N.D. Cal.
24 Dec. 11, 2009) ("Courts applying *Bilski* have concluded that the mere recitation of 'computer' or
25 reference to using a computer in a patent claim [is] insufficient to tie a patent claim to a
26 particular machine.") (emphasis in original); *Bancorp Servs.*, 2011 U.S. Dist. LEXIS 14272 at
27

1 *29 (“The recitation of the computer, computer system, and computer readable media do not
2 satisfy the ‘machine’ prong of the machine-or-transformation test.”); *Ultramercial*, 2010 U.S.
3 Dist. LEXIS 93453, at *13 (“That the disclosed invention is only used on computers or computer
4 networks cannot alone satisfy the machine test without rendering the test completely toothless.”).

5 As in the above cases, the ’459 patent’s recitation of methods that are “implemented on a
6 computer” does not satisfy the machine prong of the machine-or-transformation test. The
7 computer referenced in the preamble of all the claims is merely an “insignificant extra-solution.”
8 *Bilski I*, 545 F.3d at 957-58. This nominal recitation in the preamble of the claims fails
9 consideration of the “machine” prong because it does not “impose meaningful limits on the claim’s
10 scope.” *Bilski I*, 545 F.3d at 961-62. In order for claims to be considered as being implemented on
11 a machine, they need to recite “structural limitations that narrow the computer implemented
12 method to something more specific than a general purpose computer [or] recite any specific
13 operations performed that would structurally define the computer.” *See, e.g., Ex Parte Cherkas*,
14 No. 2009-11287, 2010 WL 4219765, at *3 (October 25, 2010). In the claims of the ’459 patent, no
15 such limitation or specific operation exists; accordingly, the claims fail the machine prong of the
16 machine-or-transformation test.

17 Any argument to the effect that the claims are tied to a machine because they are directed
18 towards activity that inherently must take place over a network fails. As indicated above, such an
19 argument violates the notion that only that which is central to the invention (here, the
20 categorization and subsequent restrictions of “network pages”), is relevant to the machine prong of
21 the test. In other words, the notion that the methods of the claims of the ’459 patent are “computer
22 implemented” is merely “extra-solution” activity. Moreover, a network is too ephemeral to satisfy
23 the machine prong of the test in any event. *See Ultramercial*, 2010 U.S. Dist. LEXIS 93453, at
24 *10-11 (finding that claims reciting the limitation “over the Internet” where not directed towards
25 patentable subject matter) citing *Cybersource Corp. v. Retail Decisions, Inc.*, 620 F. Supp. 2d 1068
26 (N.D. Cal. 2009).

1 **2. The Claims of the '459 Patent Fail the "Transformation" Prong of the**
2 **Machine-or-Transformation Test**

3 The *sine qua non* of the transformation test is the transformation of one thing into another.
4 "Transformation and reduction of an article 'to a different state or thing' is the clue to patentability
5 of a process claim that does not include particular machines." *Bilski II*, 130 S.Ct. at 3227 quoting
6 *Benson*, 409 U.S. at 70. As the Federal Circuit explained in articulating the test, "[a] claimed
7 process is patent-eligible if it transforms an article into a different state or thing." *Bilski I*, 545 F.3d
8 at 962. No such transformation takes place in the claims of the '459 patent which, instead, deals
9 with the purported invention of categorizing "network pages."

10 Neither the "network pages" nor anything else in the claims are transformed in any way.
11 Rather they are being categorized, and the claimed categorizations are themselves a mere
12 abstraction. "Purported transformations or manipulations simply of public or private legal
13 obligations or relationships, business risks, or other such abstractions cannot meet the test because
14 they are not physical objects or substances, and they are not representative of physical objects or
15 substances." *Bilski I*, 545 F.3d at 963. Accordingly, the categorizations do not represent
16 transformations under the machine-or-transformation test.

17 In addition, any argument that the transformation test is satisfied because the underlying
18 categorizations are taking place on a computer and, thus, the underlying electrons of the various
19 memory systems are being "transformed" would be squarely misplaced. *See, e.g., CLS Bank Int'l*,
20 2011 U.S. Dist. LEXIS 23669, at *35-36 (soundly rejecting an argument that its claims satisfy the
21 transformation test "because data would necessarily have to be manipulated, and on a microscopic
22 level, a hard drive, for instance, would be 'transformed' by the process of 'magnetizing or
23 demagnetizing part of a hard disk drive platter corresponding to a bit of data.'"). Moreover,
24 because a transformation only satisfies the test if the "transformation [is] central to the purpose of
25 the claimed process," *Bilski I*, 545 F.3d at 962, and because the claims of the '459 patent are not
26 directed towards the manipulation of computer memory, any such argument must fail.

1 None of the claims of the '459 patent transform – physically or otherwise – any article
2 under the transformation prong of the machine-or-transformation test and, consequently, the claims
3 fail this prong of the test as well.

4 B. The Claims of the '459 Patent Are Directed at an Abstract Idea as in *Benson* and
5 *Flook* and, Therefore, Are Invalid for Failing to Meet the Requirements of 35 U.S.C. § 101

6 An idea is not patentable if it represents an abstract idea. “There is no clear definition of
7 what constitutes an abstract idea. . . .” *CLS Bank Int’l*, 2011 U.S. Dist. LEXIS 23669, at *29. As
8 noted recently by the Federal Circuit, “the Supreme Court did not presume to provide a rigid
9 formula or definition for abstractness.” *Research Corp. Techs. v. Microsoft Corp.*, 627 F.3d 859,
10 868 (Fed. Cir. 2010).

11 As indicated above, the machine-or-transformation test is not the sole test for whether
12 something constitutes an abstract idea for patentability under 35 U.S.C. § 101. In *Bilski II*, the
13 Supreme Court found that the patent claims-in-question did nothing more than take the basic
14 concept of hedging risk and attempt to apply it broadly to the markets of commodities and energy
15 trading. As the Court indicated “[t]he concept of hedging, described in claim 1 and reduced to a
16 mathematical formula in claim 4, is an unpatentable abstract idea, just like the algorithms at issue
17 in *Benson* and *Flook*. Allowing petitioners to patent risk hedging would pre-empt use of this
18 approach in all fields, and would effectively grant a monopoly over an abstract idea.” *Bilski II*, 130
19 S. Ct. at 3231. The same is true with respect to the claims of the '459 patent.

20 In the instant case, the claims of the patent do nothing more than recite the abstract idea of
21 categorizing a “network page” by the page’s copyright status and whether the page is related to
22 “transacting business” or “providing information” as well as controlling access to the network page
23 based on its characterizations. Just as the Supreme Court found in *Bilski II*, these claims are like
24 those rejected in the *Benson* and *Flook* cases.

25 In *Benson*, the Court affirmed the rejection of a patent application for “an algorithm to
26 convert binary-coded decimal numerals into pure binary code.” *Bilski II*, 130 S. Ct. at 3230 (citing
27 *Benson*, 409 U.S. at 64-67). There, the Court explained that “‘one may not patent an idea,’ but that

1 ‘in practical effect that would be the result if the formula for converting . . . numerals to pure
2 binary numerals were patented in this case.’” *Id.* (quoting *Benson*, 409 U.S. at 71).

3 Unlike the claims of the ’459 patent, the claims in *Benson* did include an underlying
4 computer structure. Claim 8, for example, recited “storing the binary coded decimal signals . . . in
5 a shift register.” *Benson*, 409 U.S. at 73-74. Notwithstanding this underlying structure, (*i.e.*, the
6 shift register), the claim was determined to be invalid. In determining that the claim was an
7 unpatentable algorithm, the Court found that the claim was not limited to a practical application,
8 explaining that “[a] contrary holding ‘would wholly pre-empt the mathematical formula and in
9 practical effect would be a patent on the algorithm itself.’” *Bilski II*, 130 S. Ct. at 3230 (quoting
10 *Benson*, 409 U.S. at 72).

11 In *Flook*, the Court was presented with claims to “a procedure for monitoring the conditions
12 during the catalytic conversion process in the petrochemical and oil-refining industries,” where the
13 “only innovation was reliance on a mathematical algorithm.” *Id.* (citing *Flook*, 437 U.S. at 585-
14 86). As the Court explained, the “patent application describes a method of updating alarm limits”
15 where “[i]n essence, the method consists of three steps: an initial step which merely measures the
16 present value of the process variable (*e.g.*, the temperature); an intermediate step which uses an
17 algorithm to calculate an updated alarm limit value; and a final step in which the actual alarm limit
18 is adjusted to the updated value.” *Flook*, 437 U.S. at 585.

19 As in *Benson*, the claims were held unpatentable under § 101. Even though the claims “had
20 been limited so that [the invention] could still be freely used outside the limited fields claimed by
21 the patent (*i.e.*, the petrochemical and oil- refining industries),” they nevertheless were not patent-
22 eligible because once the particular algorithm was removed from consideration, “the application,
23 considered as a whole, contain[ed] no patentable invention.” *Bilski II*, 130 S. Ct. at 3230 (*quoting*
24 *Flook*, 437 U.S. at 589- 90 & 594). As explained in *Bilski II*, “*Flook* stands for the proposition that
25 the prohibition against patenting abstract ideas ‘cannot be circumvented by attempting to limit the
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1 use of the formula to a particular technological environment’ or adding ‘insignificant postsolution
2 activity.’” *Id.* (quoting *Diehr*, 450 U.S. at 191-92).

3 As the Examiner indicated in initially rejecting all of the claims of the ’459 patent, the
4 claims “simply recite[] a series of steps [of] an abstract idea that can be implemented with a pen
5 and paper.” Maikish Decl., Ex. 6 at 2. This assessment was – and remains – correct. Notably,
6 the patentee did not object in any way to the Patent Examiner’s conclusion, and, instead, merely
7 amended the claims, per the examiner’s suggestion, to include the phrase “a computer implemented
8 method.” Maikish Decl., Ex. 7, at 5 and 6. (“In response, the preamble of claims 1, [30], and [31]
9 are amended per the Examiner’s suggestion to satisfy the requirements of 35 U.S.C. § 101.” *Id.* at
10 7. That the patentee followed the suggestion of the Patent Examiner (especially in light of the fact
11 that the suggestion pre-dates the Supreme Court’s *Bilski II* decision) is no defense to the current
12 motion. As *Bilski II* and the numerous post-*Bilski II* decisions cited above make clear, extra-
13 solution activity cannot form the basis of patentability under 35 U.S.C § 101.

14 **V. CONCLUSION**

15 During prosecution of the patent-in-suit, the Examiner was correct in noting that the claims
16 of the ’459 patent constitute an abstract idea and, in fact, represent nothing more than that which
17 could be implemented “with a pen and paper.” Even though the patentee followed the advice of
18 the Examiner, their solution, to simply direct the method of the claims to run on a general purpose
19 computer, does not cure the problem. Taking an abstract idea and implementing it on a general
20 purpose computer does not constitute a patentable invention pursuant to 35 U.S.C. § 101.

21 Accordingly, for the above reasons, the claims of ’459 should be declared invalid for lack of
22 patentable subject matter.
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Respectfully submitted,

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