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

11	ICONFIND, INC.,)	Case No. 2:11-CV-00319 GEB JFM
)	
12	Plaintiff,)	
)	
13	v.)	GOOGLE INC.'S RENEWED MOTION
)	FOR JUDGMENT ON THE PLEADINGS
14	GOOGLE INC.,)	OF INVALIDITY OF U.S. PATENT NO.
)	7,181,459
15	Defendant.)	
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1 **NOTES ON CITATIONS**

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

5 Google filed a Request for Judicial Notice of the Prosecution History of U.S. Patent No.
6 7,181,459 on April 15, 2011, concurrently with its *original* Motion For Judgment On The
7 Pleadings. (Dkt. No. 31.) While Google does not believe that the Court need consult the
8 Prosecution History in order to reach resolution of this matter, reference to the Prosecution
9 History is illuminating and corroborates Google contention that the ’459 patent is invalid pursuant
10 to 35 U.S.C. § 101.

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

12

13

<i>Exhibit</i>	<i>Description</i>
14 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.
15 3	Office Action Summary dated May 24, 2004 in U.S. Patent Application No. 10/082,596.
16 4	Response to Official Action dated June 22, 2004 in U.S. Patent Application No. 10/082,596.
17 5	Amendment in Response to Non-Final Office Action dated April 27, 2005 in U.S. Patent Application No. 10/082,596.
18 6	Office Action Summary dated July 11, 2005 in U.S. Patent Application No. 10/082,596.
19 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.

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1 **I. INTRODUCTION**

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

8 The prosecution history of the ’459 patent makes this point abundantly clear. Initially, the
9 Examiner rejected all of the claims as invalid under Section 101 as directed to an abstract idea.
10 Rather than argue the contrary or respond to the substance of the rejection, the patentee merely
11 altered the preamble of its claims to include the phrase “a computer implemented method” in an
12 attempt to tie the abstract concepts of the patent claims to a machine (*i.e.*, a general purpose
13 computer).

14 As the Supreme Court has recently made clear, however, this is not enough to render
15 claims patentable under Section 101. Abstract ideas – unpatentable as a matter of law – cannot
16 otherwise be made patentable simply by directing them to run on a general purpose computer. In
17 short, recent jurisprudence establishes that the Examiner’s initial rejection was correct and the
18 patentee’s “cure” is insufficient as a matter of law.

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

22 ¹ The issue of patentable subject matter is a question of law. *In re Comiskey*, 554 F.3d 967,
23 975 (Fed. Cir. 2009). Accordingly, Google believes that no additional matters beyond those
24 relating to the pleadings (including the ’459 patent) need be considered. Because the Prosecution
25 History of the ’459 patent provides background and corroboration of the issues raised in this
26 motion, Google requests, through its concurrently filed Request for Judicial Notice, that this
27 Court take judicial notice of the Prosecution History of the ’459 patent (although Google does not
28 believe that the Court must necessarily consider the Prosecution History in order to reach a
29 determination). *See, e.g., Advanced Micro Devices v. Samsung Elecs. Co.*, No. 08-986, 2010 U.S.
30 Dist. LEXIS 24243, at *36 (N.D. Cal. Mar. 15, 2010) (indicating that, in determining a Motion on
31 the Pleadings, “courts may consider exhibits submitted or referenced in the complaint and matters
32 that may be judicially noticed pursuant to Federal Rule of Evidence 201”).

(continued...)

1 **II. BACKGROUND**

2 Plaintiff brought this action on February 4, 2011, alleging infringement of the '459 patent
3 by Google's Picasa, Knol,² and Books web properties. Complaint, ¶ 5, Dkt No. 1. Google filed
4 its first Motion for Judgment on the Pleadings of Invalidity of U.S. Patent 7,181,459 shortly
5 thereafter. (Dkt. No. 29.) On June 3, 2011, the Court issued an order denying the earlier filed
6 Motion for Judgment on the Pleadings as premature. (Dkt. No. 53.) In its Pretrial Scheduling
7 Order, the Court indicated that "[i]f Google elects to refile its motion for Invalidity of U.S. Patent
8 No. 7,181,459 under 35 U.S.C. at the point when pleadings are closed, the Court will hear
9 Google's renewed Motion on January 23, 2012." (Dkt. No. 55.) The pleadings are now closed
10 (*see, e.g.*, Plaintiff's Answer to Google's Second Amended Counterclaims, Dkt. No. 69), and the
11 instant motion is Google's Renewed Motion for Judgment on the Pleadings of Invalidity of U.S.
12 Patent No. 7,181,459.

13 The '459 patent is entitled "Method of Coding, Categorizing, and Retrieving Network
14 Pages and Sites" and generally relates to a method of categorizing pages on a network. '459
15 patent, Abstract. The application leading to the '459 patent was filed February 22, 2002, and
16 initially included 50 claims. Maikish Decl., Ex. 2. On May 24, 2004, the Examiner issued a
17 restriction requirement, essentially indicating that the application was directed to two independent
18 inventions and requiring the patentee to narrow its application to a single invention. Maikish
19 Decl., Ex. 3. The patentee then narrowed the application to 32 claims (*i.e.*, the initial 32 claims of
20 its original application). Maikish Decl., Ex. 4.

21 In response to an office action dated January 27, 2005, rejecting all the claims of the
22 application, the patentee made various amendments to the claims, canceled one of its claims, and
23 added one additional claim. Maikish Decl., Ex. 5. Nevertheless, on July 11, 2005, the Examiner
24

25
26 ² Google recently announced that it will be shutting down the Knol web property over the
27 <http://googleblog.blogspot.com/2011/11/more-spring-cleaning-out-of-season.html> (last visited
28 December 13, 2011).

1 issued another rejection in which she rejected all of the pending claims of the application.
2 Maikish Decl., Ex. 6. Among the bases of rejection, the Examiner rejected all of the claims of the
3 application as failing to be directed to patentable subject matter pursuant to 35 U.S.C. § 101
4 indicating:

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

10 *Id.* at 2 (emphasis added). The patentee did not object to the Examiner’s Section 101 rejection.
11 Instead, on September 8, 2005, the patentee amended its claims in accord with the Examiner’s
12 suggestion altering the preamble of the claims to read “a computer implemented method.”
13 Maikish Decl., Ex. 7. The Examiner subsequently withdrew the objection to the claims with
14 respect to the patentable subject matter rejection. Although prosecution of the claims continued,
15 including additional amendment to the claims, there were no further rejections based on 35
16 U.S.C. § 101.

17 The Examiner’s initial rejection pursuant to Section 101 was correct because the claims
18 were – and are – directed towards an abstract idea that, as a matter of law, is not eligible for
19 patent protection. As discussed below, notwithstanding the Examiner’s suggestion, recent case
20 law, including from the Supreme Court, makes clear that abstract ideas, such as those embodied
21 in the claims of the ’459 patent, cannot be made patentable merely by tying such concepts to a
22 general purpose computer. Simply taking an unpatentable abstract idea and adding “extra-
23 solution” language to the effect that the idea should be implemented on a computer does not make
24 the abstract idea patentable.

24 **III. LEGAL STANDARD**

25 “Judgment on the pleadings is proper when the moving party clearly establishes on the
26 face of the pleadings that no material issue of fact remains to be resolved and that it is entitled to
27 judgment as a matter of law.” *Hal Roach Studios, Inc. v. Richard Feiner & Co.*, 896 F.2d 1542,
28 1550 (9th Cir. 1989). In resolving such a motion, “the allegations of the non-moving party must

1 be accepted as true, while the allegations of the moving party which have been denied are
2 assumed to be false.” *Id.*

3 35 U.S.C. § 101 provides: “Whoever invents or discovers any new and useful process,
4 machine, manufacture, or composition of matter, or any new and useful improvement thereof,
5 may obtain a patent therefor, subject to the conditions and requirements of this title.” Whether a
6 claim is drawn to patent-eligible subject matter under Section 101 of the Patent Act is an issue of
7 law that is a threshold inquiry into a patent’s validity. *In re Bilski*, 545 F.3d 943, 950 (Fed. Cir.
8 2008) (*en banc*) (“*Bilski I*”). Any claim failing the requirements of Section 101 of the Patent Act
9 “must be rejected even if it meets all of the other legal requirements of patentability.” *Id.*

10 The framework of what constitutes appropriate subject matter under 35 U.S.C. § 101 is
11 not unlimited. The Supreme Court has identified three exceptions to the Patent Act’s scope: (1)
12 laws of nature; (2) physical phenomena; and (3) abstract ideas. *Bilski II*, 130 S. Ct. at 3225; *see*
13 *also Gottschalk v. Benson*, 409 U.S. 63 (1972); *Parker v. Flook*, 437 U.S. 584 (1978); *Diamond*
14 *v. Diehr*, 450 U.S. 175 (1981). As the Court in *Benson* explains, “[p]henomena of nature, though
15 just discovered, mental processes, and abstract intellectual concepts are not patentable, as they are
16 the basic tools of scientific and technological work.” *Benson*, 409 U.S. at 67. As the Supreme
17 Court has recently expounded, these exceptions are consistent with 35 U.S.C. § 101’s requirement
18 that a patentable invention be “new and useful.” *Bilski II*, 130 S. Ct. at 3225.

19 Neither the Federal Circuit nor the Supreme Court has adopted a *per se* test to determine
20 what constitutes an abstract idea under 35 U.S.C. §101. *Ultramercial, LLC v. Hulu, LLC*, 657
21 F.3d 1323, 1327 (Fed. Cir. 2011) (“Both members of the Supreme Court and this court have
22 recognized the difficulty of providing a precise formula or definition for the judge-made
23 ineligible category of abstractness [under 35 U.S.C. § 101].”). However, both the Federal Circuit
24 and the Supreme Court have recently provided insight into assessing this issue. As discussed
25 further below, whether one applies the “machine-or-transformation” test of *Bilski I* or conducts
26 the claim comparison analysis of *Bilski II*, one must conclude that these claims are invalid under
27 Section 101. *Accord, Bancorp Servs., L.L.C. v. Sun Life Assur. Co. of Can.*, 771 F. Supp. 2d
28 1054, 1063 (E.D. Mo. 2011) (“In making this decision, the Court will first consider whether the

1 claims satisfy the machine-or-transformation test and then will apply *Bilski* [II] and examine
2 whether what is claimed is an abstract idea under *Benson, Flook, and Diehr.*”); *see also, In re*
3 *Vilalta, et al.*, No. 2009-10862, 2011 WL 6012377, at *1-2 (B.P.A.I. Nov. 29, 2011).

4 In this instance, perhaps the most telling fact of all is the Patent Examiner’s initial 101
5 rejection. As she pointed out in rejecting the claims on 101 grounds, the claims are directed to a
6 series of mental steps capable of being performed entirely with the human mind. As the Federal
7 Circuit has recently reminded in *Cybersource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366 (Fed.
8 Cir. 2011), claims directed to mental steps capable of being performed by a person in their head,
9 should be rejected as claiming an abstract idea.

10 Courts have routinely held that adding “extra-solution” activity in the form of the words
11 “a computer implemented method” (*i.e.*, the **only** thing the patentee did to “overcome” the
12 Examiner’s 101 rejection) does not rescue otherwise abstract ideas from a Section 101 challenge.
13 *Id.*; *Bilski I*, 545 F.3d at 961-62. But that is exactly what the patentee did here. Merely adding
14 these words to the preamble cannot save the claims of the ’459 patent. Accordingly, the court
15 should reject all claims of the ’459 patent as unpatentable under 35 U.S.C. § 101.

16 **IV. ARGUMENT**

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

19 1. A computer implemented method of categorizing a network page,
20 comprising:

21 providing a list of categories, wherein said list of categories include a
22 category for transacting business and a category for providing information,

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

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

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

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

1 '459 patent, 12:24-38. Claims 2 through 29 all ultimately depend from claim 1 and include
2 additional elements such as categorization by subject matter, categorization by copyright status of
3 the material on the page, categorization based on the types of files associated with a page, and
4 various other similar refinements. Claim 30 is an independent claim which provides the
5 additional limitation over Claim 1 of providing a categorization code for labeling the network
6 page with a categorization label, "wherein said categorization label indicates a set of categories
7 and subcategories to which the network page is assigned." Claim 31, also an independent claim,
8 is identical to Claim 1 save that list of categories is restricted to "public domain, fair use only, use
9 with attribution, and permission of copyright owner needed." All of the independent claims (and,
10 by extension, all of the dependent claims as well), recite the language "a computer implemented
11 method" in the preamble.³ As discussed below, the claims of '459 are no different than the kinds
12 of claims various courts have found invalid since the Federal Circuit and Supreme Court
13 addressed the issue of patentable subject matter in *Bilski I* and *Bilski II*.

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

15 The machine-or-transformation test remains a useful tool to help courts determine whether
16 claims are directed towards patentable subject matter. *Prometheus Labs., Inc. v. Mayo*
17 *Collaborative Servs. & Mayo Clinic Rochester*, 628 F.3d 1347, 1355 (Fed. Cir. 2010); *accord*
18 *CyberSource*, 654 F.3d at 1370. Under this test, an invention may be patentable (assuming it
19 meets the other requirements of patentability) if "(1) it is tied to a particular machine or apparatus,
20 or (2) it transforms a particular article into a different state or thing." *Bilski I*, 545 F.3d at 954.
21 The Federal Circuit further clarified that "the use of a specific machine or transformation of an
22 article must impose meaningful limits on the claim's scope to impart patent-eligibility" and "the
23 involvement of the machine or transformation in the claimed process must not entirely be
24 insignificant extra-solution activity." *Id.* at 961-62.

25 _____
26 ³ It is also telling that the patentee merely added these words to the preamble because the
27 preamble is typically not even limiting of a claim. *See Bell Commc'ns Research, Inc. v. Vitalink*
28 *Commc'ns Corp.*, 55 F.3d 615, 620 (Fed. Cir. 1995) ("Much ink has, of course, been consumed in
debates regarding when and to what extent claim preambles limit the scope of the claims in which
they appear.").

1 While the Supreme Court’s decision in *Bilski II* indicates that the machine-or
2 transformation test is not the sole test for patentability, as acknowledged in numerous post-*Bilski*
3 *II* decisions, it remains an important test for assessing patentable subject matter. *King Pharm.,*
4 *Inc. v. Eon Labs, Inc.*, 616 F.3d 1267, 1278 (Fed. Cir. 2010) (“We . . . understand the Supreme
5 Court to have rejected the exclusive nature of our test, but not necessarily the wisdom behind
6 it.”); *CLS Bank Int’l v. Alice Corp. Pty, Ltd.*, No. 07-974, 2011 U.S. Dist. LEXIS 23669, at *34
7 (D.D.C. Mar. 9, 2011), (“The [machine-or-transformation] test is neither the exclusive nor the
8 dispositive standard to determine whether an invention qualifies as a process under § 101, yet it
9 remains a ‘useful and important clue, an investigative tool’ in the analysis.”) (quoting *Bilski II*,
10 130 S. Ct. at 3227); *Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, No. 07-826,
11 2011 U.S. Dist. LEXIS 57853, at *20 (D. Del. May 31, 2011) (“Using the court’s previous
12 machine or transformation determination as an ‘important clue’ in the analysis, the court must
13 now determine whether the claims as a whole convey an unpatentable, abstract idea.”); *Bancorp*
14 *Servs.*, 2011 U.S. Dist. LEXIS 14272, at *15 (concluding, after comprehensive analysis of
15 various post-*Bilski II* rulings and opinions, that “the machine-or-transformation test remains a
16 useful tool in determining whether a claim is drawn to an abstract idea and thus unpatentable
17 under § 101”); *accord VS Techs., LLC v. Twitter, Inc.*, No. 11-43, 2011 U.S. Dist. LEXIS 114998,
18 at *7-8 (E.D. Va. Oct. 4, 2011); *c.f.*, *Ultramercial*, 657 F.3d at 1327 (noting that “technology
19 without anchors in physical structures and mechanical steps simply defy easy classification under
20 the machine-or-transformation categories” and instead focusing on the “practical application of
21 the [technology in-suit]”). Indeed, the U.S. Patent and Trademark Office continues to use the
22 machine-or-transformation test as an indicator of patentability. *See* “Interim Guidance for
23 Determining Subject Matter Eligibility for Process Claims in View of *Bilski v. Kappos*,” 75 Fed.
24 Reg. 43,992 (July 27, 2010).

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

27 A machine is “a concrete thing, consisting of parts, or of certain devices and combination
28 of devices. This includes every mechanical device or combination of mechanical powers and

1 devices to perform some function and produce a certain effect or result.” *SiRF Tech., Inc. v. Int’l*
2 *Trade Comm’n*, 601 F.3d 1319, 1332 (Fed. Cir. 2010) (citing *In re Ferguson*, 558 F.3d 1359,
3 1364 (Fed. Cir. 2009).

4 The mere fact that the claims of the ’459 patent recite the phrase “computer implemented
5 method” does not satisfy the machine prong of the machine-or-transformation test. *Bancorp*
6 *Servs.*, 771 F. Supp. 2d at 1063 (“It is important to note at the outset that not every patent that
7 recites a machine or transformation of an article passes the machine-or-transformation test.”).
8 “[T]he use of a specific machine or transformation on an article must impose **meaningful limits**
9 on the claim’s scope to impart patent eligibility.” *Bilski I*, 545 F.3d at 961-62 (emphasis added).
10 Put another way, “the involvement of the machine or transformation in the claimed process **must**
11 **not merely be insignificant extra-solution activity.**” *Id.* (emphasis added)

12 To permit otherwise would exalt form over substance and permit artful claim drafting to
13 circumvent the limitations contemplated by section 101. *Graff/Ross Holdings LLP v. Fed. Home*
14 *Loan Mortg. Corp.*, No. 07-796, 2010 U.S. Dist. LEXIS 141399, at *14 (D.D.C. Aug. 27, 2010)
15 (quoting *Flook*, 437 U.S. at 590) (“Furthermore, according to the Court, “[t]he notion that post-
16 solution activity, no matter how conventional or obvious in itself, can transform an unpatentable
17 principle into a patentable process exalts form over substance. A competent draftsman could
18 attach some form of post-solution activity to almost any mathematical formula.”). The
19 patentee’s actions here – merely adding the phrase “computer implemented method” to the
20 preamble of claims otherwise directed to an abstract idea – is the poster child for impermissible
21 “extra-solution” activity.

22 In the wake of *Bilski II*, numerous courts have found that the nominal recitation in a
23 method claim of a general purpose computer such as found in the claims of the ’459 patent cannot
24 save such claims from being found unpatentable pursuant to 35 U.S.C. § 101. *See, e.g., CLS*
25 *Bank Int’l*, 2011 U.S. Dist. LEXIS 23669, at *43-44 (methods of exchanging financial obligations
26 between parties were not directed at patentable subject matter even though they were performed
27 on a computer because “[t]he Court concludes that nominal recitation of a general-purpose
28 computer in a method claim does not tie the claim to a particular machine or apparatus or save the

1 claim from being found unpatentable under § 101”); *Fuzzysharp Techs., Inc. v. 3D Labs, Inc.*,
2 *Ltd.*, No. 07-5948, 2009 U.S. Dist. LEXIS 115493, *12 (N.D. Cal., Dec. 11, 2009) (ruling that
3 method claims directed at finding invisible surfaces in a 3-D rendering process using a computer
4 were not directed at patentable subject matter because “[c]ourts applying *Bilski* have concluded
5 that the mere recitation of ‘computer’ or reference to using a computer in a patent claim [is]
6 insufficient to tie a patent claim to a particular machine”) (emphasis in original), *vacated* on
7 other grounds, 2011 U.S. App. LEXIS 22274 (Fed.Cir. Nov. 4, 2011); *Bancorp Servs.*, 771 F.
8 Supp. 2d at 1065 (finding that systems and methods directed at calculating a value for life
9 insurance policies were not directed at patentable subject matter despite the fact that they were
10 performed on a computer because “[t]he recitation of the computer, computer system, and
11 computer readable media do not satisfy the ‘machine’ prong of the machine-or-transformation
12 test”); *Glory Licensing LLC v. Toys “R” Us, Inc.*, No. 09-4252, 2011 U.S. Dist. LEXIS 51888, at
13 *6-7 (D.N.J. May 16, 2011) (unpublished opinion) (ruling that methods for extracting information
14 from an input file and transmitting that information to an application program using ‘content
15 instructions’ and ‘customizable transmission format instructions’ on a programmed computer was
16 not directed to patentable subject matter because “[t]he case law is clear that simply the use of a
17 programmed computer is not sufficient to satisfy the machine or apparatus prong of the test”).

18 As in the above cases, the ’459 patent’s recitation of methods that are “implemented on a
19 computer” does not satisfy the machine prong of the machine-or-transformation test. The
20 computer referenced in the preamble of all the claims is merely an “insignificant extra-solution.”
21 *Bilski I*, 545 F.3d at 957-58. This nominal recitation in the preamble of the claims fails
22 consideration of the “machine” prong because it does not “impose meaningful limits on the
23 claim’s scope.” *Bilski I*, 545 F.3d at 961-62. For such claims to be considered as being
24 implemented on a machine, they need to recite “structural limitations that narrow the computer
25 implemented method to something more specific than a general purpose computer [or] recite any
26 specific operations performed that would structurally define the computer.” *See, e.g., Ex Parte*
27 *Cherkas*, No. 2009-11287, 2010 WL 4219765, at *3 (B.P.A.I. Oct. 25, 2010). In the claims of the
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1 '459 patent, no such limitation or specific operation exists; accordingly, the claims fail the
2 machine prong of the machine-or-transformation test.

3 Nor can the '459 patent be saved by arguing that the claims are tied to a machine because
4 they are directed towards activity that inherently must take place over a network. The Federal
5 Circuit squarely rejected that argument in *CyberSource*, finding similar network claims too
6 ephemeral to satisfy the machine prong of the test. *See Cybersource*, 654 F.3d at 1370 (rejecting
7 Patentee's argument that the claims are performed "over the Internet" as satisfying the machine
8 prong and finding that the "over the Internet" aspects of the claim are not integral to that which
9 was claimed). Even more, any network activity is superfluous to the claims of the '459 patent
10 which are directed at the categorization, labeling, and subsequent controlling of the use of
11 "network pages." The notion that the claims of the '459 patent are "network implemented" is
12 simply "extra-solution" activity and equally misplaced.

13 2. The Claims of the '459 Patent Fail the "Transformation" Prong of the 14 Machine-or-Transformation Test

15 The *sine qua non* of the transformation test is the transformation of one thing into another.
16 "Transformation and reduction of an article 'to a different state or thing' is the clue to the
17 patentability of a process claim that does not include particular machines." *Bilski II*, 130 S. Ct. at
18 3226-3227 (quoting *Benson*, 409 U.S. at 70). As the Federal Circuit explained in articulating the
19 test, "[a] claimed process is patent-eligible if it transforms an article into a different state or
20 thing." *Bilski I*, 545 F.3d at 962. No such transformation takes place in the claims of the '459
21 patent.

22 At its heart, the purported invention of the '459 patent relates to the labeling of network
23 pages. Neither the network pages nor anything else in the claims are transformed in any way.
24 Rather the pages are being categorized using labels, and the claimed categorizations are
25 themselves a mere abstraction. The addition of a label to a network page is not transformative.
26 As *Bilski I* informs, "[p]urported transformations or manipulations simply of public or private
27 legal obligations or relationships, business risks, or other such abstractions cannot meet the test
28 because they are not physical objects or substances, and they are not representative of physical

1 objects or substances.” 545 F.3d at 963. This assignment of a label relating to copyright status of
2 a network page is exactly the kind of manipulation of legal obligation (*i.e.*, the copyright status)
3 and of abstract categorization, that *Bilski I* clearly informs is not the kind of “transformation”
4 required under the transformation prong of the test. *See, e.g., In re Ferguson*, 558 F.3d 1359,
5 1364 (Fed. Cir. 2009) (“Nor do Applicants’ methods, as claimed, transform any article into a
6 different state or thing. At best it can be said that Applicants’ methods are directed to organizing
7 business or legal relationships in the structuring of a sales force (or marketing company).”).

8 Any argument that the transformation test is satisfied because the underlying
9 categorizations are taking place on a computer and, thus, the underlying electrons of the various
10 memory systems are being “transformed” would be squarely misplaced. *See, e.g., CLS Bank Int’l*,
11 2011 U.S. Dist. LEXIS 23669, at *35-36 (soundly rejecting an argument that its claims satisfy the
12 transformation test “because data would necessarily have to be manipulated, and on a
13 microscopic level, a hard drive, for instance, would be ‘transformed’ by the process of
14 ‘magnetizing or demagnetizing part of a hard disk drive platter corresponding to a bit of data’”).
15 Moreover, because (1) a transformation only satisfies the test if the “transformation [is] central to
16 the purpose of the claimed process,” *Bilski I*, 545 F.3d at 962, and because (2) the claims of the
17 ’459 patent are not directed towards the manipulation of computer memory, any such argument
18 must fail.

19 None of the claims of the ’459 patent transform – physically or otherwise – any article
20 under the transformation prong of the machine-or-transformation test and, consequently, the
21 claims fail this prong of the test as well.

22 **B. The Claims of the ’459 Patent Are Directed at an Abstract Idea**

23 As indicated above, the machine-or-transformation test is not the sole test for whether
24 something constitutes an abstract idea for patentability under 35 U.S.C. § 101. As the Supreme
25 Court found in *Bilski II*, and as the Federal Circuit more recently reminded us in *CyberSource*, it
26 can also be appropriate to analyze the nature of the claims and determine whether they seek to
27 claim an abstract idea (or other unpatentable subject matter).

1 An idea is not patentable if it represents an abstract idea. *Bilski II*, 130 S. Ct. at 3225
2 (quoting *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980)). However, “[t]here is no clear
3 definition of what constitutes an abstract idea. . . .” *CLS Bank Int’l*, 2011 U.S. Dist. LEXIS
4 23669, at *29. As noted recently by the Federal Circuit, “the Supreme Court did not presume to
5 provide a rigid formula or definition for abstractness.” *Research Corp. Techs. v. Microsoft Corp.*,
6 627 F.3d 859, 868 (Fed. Cir. 2010).

7 In *Bilski II*, the Supreme Court found that the patent claims-in-question did nothing more
8 than take the basic concept of hedging risk and attempt to apply it broadly to the markets of
9 commodities and energy trading. As the Court indicated:

10 [t]he concept of hedging, described in claim 1 and reduced to a
11 mathematical formula in claim 4, is an unpatentable abstract idea, just like
12 the algorithms at issue in *Benson* and *Flook*. Allowing petitioners to
13 patent risk hedging would pre-empt use of this approach in all fields, and
14 would effectively grant a monopoly over an abstract idea.

15 *Bilski II*, 130 S. Ct. at 3231. Like the claims at issue in *Benson* and *Flook*, the claims of the ’459
16 patent are directed to an abstract idea, and are, consequently, unpatentable.

17 **1. The Claims of the ’459 Patent Are Not Patent Eligible Are Directed to**
18 **Mental Steps and Are Not Patent Eligible**

19 As the Federal Circuit recently affirmed in *CyberSource*, patent claims should be rejected
20 when – as is the case here – they are directed to a mental process (*i.e.*, “a subcategory of
21 unpatentable abstract ideas”). *CyberSource Corp.*, 654 F.3d at 1371. In other words, methods
22 that can be performed mentally (or which are “the equivalent of human mental work”) are
23 unpatentable. *Id.* The claims of the ’459 patent are directed to unpatentable mental processes and
24 should therefore be held invalid.

25 As detailed above, distilled to their constituent parts, the substantive steps of the claims
26 are ’459 patent are:

- 27 1. Providing a list of categories;
- 28 2. Assigning a network page to the “list of categories;”
3. Providing a label to the network page using the copyright status of the material on the page; and

1 4. Controlling usage based on the label and the copyright status
2 of the page.

3 The claims of the '459 patent are the antithesis of patentable subject matter for the very reason
4 that they represent steps that can be performed mentally by a human. *Id.* at 1372. (“It is clear that
5 unpatentable mental processes are the subject matter of claim 3. All of claim 3’s method steps
6 can be performed in the human mind, or by a human using pen and paper.”). With respect to the
7 instant claims, a person can provide a list of categories; that same person can assign a network
8 page to the list of categories; that same person can label the page using the copyright status of the
9 network page; and that same person could then control usage of the page based on the label and
10 the page’s copyright status. Each of these steps can essentially be performed in the human mind.
11 Accordingly, the claims of the '459 patent represent an unpatentable abstract idea. *Id.* at 1373.

12 These same four steps are present in each and every claim. With respect to the two other
13 independent claims (claims 30 and 31), the above mental steps analysis is identical (claim 30
14 differs from claim 1 only through the additional limitation that the “categorization label indicates
15 a set of categories and subcategories to which the network page is assigned”) (claim 31 differs
16 only in that the copyright status is limited to “public domain, fair use only, use with attribution,
17 and permission of copyright owner needed”). Claims 2 through 29 (which all ultimately depend
18 from claim 1) include additional elements such as categorization by subject matter, categorization
19 by copyright status of the material on the page, categorization based on the types of files
20 associated with a page, and various other similar refinements, none of which brings the claims
21 into the area of patentable subject matter.

22 This mental steps analysis is borne out by the patent examiner’s original 101 rejection. As
23 discussed above, during prosecution, all the claims of the '459 patent were rejected as being
24 directed to an abstract idea with the patent examiner using the very same reference to “pen and
25 paper” utilized by the Federal Circuit in *CyberSource*. The examiner’s exact words in rejecting
26 these claims were, “[n]ote as presently written the claim simply recites a series of steps [of] an
27 abstract idea that **can be implemented with a pen and paper.**” The patentee conceded this
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1 point, and in response simply amended the preamble of the claims to recited that the method
2 occurs on a computer.

3 Nor do the claims of the '459 patent represent a specific application of an abstract idea.
4 As the Federal Circuit recently explained, “inventions with specific applications or improvements
5 to technologies in the marketplace are not likely to be so abstract that they override the statutory
6 language and framework of the Patent Act.” *Ultramercial*, 657 F.3d at 1328 (quoting *Research*
7 *Corp. Techs.*, 627 F.3d at 869). The claims here are completely devoid of any such specific
8 application or improvement to technologies in the marketplace. Rather they simply attempt to
9 cover the notion of categorizing and labeling web pages based on their copyright status and then
10 controlling access in light of such categorization ungrounded from any specific application or
11 technology. *Accord, Accenture Global Servs.*, 2011 U.S. Dist. LEXIS 57853, at *21 (“The
12 patents are directed to concepts for organizing data rather than to specific devices or systems, and
13 limiting the claims to the insurance industry does not specify the claims sufficiently to allow for
14 their survival.”). The claims are accordingly abstract and directed toward mental steps – not the
15 specific application an abstract idea – and are, therefore, unpatentable.

16 **2. As in *Benson* and *Flook* the Claims of the '459 Patent are Directed to an**
17 **Unpatentable Abstract Idea**

18 Notwithstanding that the claims are invalid as subject to the “mental steps” doctrine, the
19 claims of the patent do nothing more than recite an abstract idea. Viewed in their best light, the
20 claims of the '459 patent are directed at the idea of categorizing a “network page” by the page’s
21 copyright status and whether the page is related to “transacting business” or “providing
22 information” and then controlling access to the network page based on its characterizations. Just
23 as the Supreme Court found in *Bilski II*, these claims are like those rejected in the *Benson* and
24 *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
27 (citing *Benson*, 409 U.S. at 64-67). The Court explained that “‘one may not patent an idea,’ but
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1 that ‘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* actually did include an
4 underlying computer structure. Claim 8, for example, recited “storing the binary coded decimal
5 signals . . . in a shift register.” *Benson*, 409 U.S. at 73-74. Notwithstanding this underlying
6 structure, (*i.e.*, the shift register), the claim was determined to be invalid as an unpatentable
7 algorithm. The Court found that the claim was not limited to a practical application, explaining
8 that “[a] contrary holding ‘would wholly pre-empt the mathematical formula and in practical
9 effect would be a patent on the algorithm itself.’” *Bilski II*, 130 S. Ct. at 3230 (quoting *Benson*,
10 409 U.S. at 72).

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

19 As in *Benson*, the claims were held unpatentable under Section 101. Even though the
20 claims “had been limited so that [the invention] could still be freely used outside [the limited
21 fields claimed by the patent (*i.e.*, the petrochemical and oil-refining industries)],” they
22 nevertheless were not patent-eligible because once the particular algorithm was removed from
23 consideration, “‘the application, considered as a whole, contain[ed] no patentable invention.’”
24 *Bilski II*, 130 S. Ct. at 3230 (quoting *Flook*, 437 U.S. at 589-90 & 594). As explained in *Bilski II*,
25 “*Flook* stands for the proposition that the prohibition against patenting abstract ideas ‘cannot be
26 circumvented by attempting to limit the use of the formula to a particular technological
27 environment’ or adding ‘insignificant postsolution activity.’” *Id.* (quoting *Diehr*, 450 U.S. at
28 191-92).

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

13 **V. CONCLUSION**

14 The recent weight of jurisprudence on Section 101 conclusively demonstrates that this
15 case should not move forward. During prosecution of the patent-in-suit, the Examiner was
16 correct in noting that the claims of the '459 patent constitute an abstract idea and, in fact,
17 represent nothing more than that which could be implemented “with a pen and paper.” Even
18 though the patentee followed the advice of the Examiner, the solution, to simply direct the
19 method of the claims to run on a general purpose computer, does not cure the problem. Taking an
20 abstract idea and implementing it on a general purpose computer does not constitute a patentable
21 invention pursuant to 35 U.S.C. § 101. Accordingly, for the above reasons, the claims of '459
22 should be declared invalid for lack of patentable subject matter.

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Respectfully submitted,

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