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4 UNITED STATES DISTRICT COURT
5 NORTHERN DISTRICT OF CALIFORNIA
6

7 HALEY IP, LLC,
8 Plaintiff,
9 v.
10 MOTIVE TECHNOLOGIES, INC.,
11 Defendant.

Case No. [23-cv-02923-HSG](#)

**ORDER GRANTING DEFENDANT'S
MOTION TO DISMISS**

Re: Dkt. No. 50

12
13 Pending before the Court is Defendant Motive Technologies, Inc.'s motion to dismiss
14 Plaintiff Haley IP, LLC's complaint pursuant to Federal Rule of Civil Procedure 12(b)(6).
15 Defendant moves to dismiss on the grounds that all claims of the asserted patent are invalid under
16 35 U.S.C. § 101. For the following reasons, the Court **GRANTS** the Motion.¹

17 **I. BACKGROUND**

18 On January 16, 2023, Plaintiff brought this patent infringement action against Defendant
19 alleging infringement of United States Patent No. 10,204,261 (the "'261 patent"). *See* Dkt. No. 1.
20 The '261 patent relates to "a novel and improved camera system and associated methods for
21 monitoring a driver of a vehicle." *Id.* at ¶7.

22 According to the '261 patent, there was a need in the market "to know how much a vehicle
23 is driven, by whom, when, where, at what speed compared to the speed limit, carrying what load,
24 and whether any of the drivers take their eyes off the road for too long or engage in other risky
25 driving behaviors." *See* '261 patent at 1:11-16. This need was met in the prior art by the
26 installation of cameras "that take images of drivers while they are driving and send images to the
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28 ¹ The Court finds this matter appropriate for disposition without oral argument and the matter is deemed submitted. *See* Civil L.R. 7-1(b).

1 insurance companies for a human review.” *Id.* at 1:42-45. The ’261 patent is thus directed to an
2 “improved device to do this and more” by automating various aspects of this process. *Id.* at 1:45-
3 59.

4 The ’261 patent has 3 independent claims: claims 1, 16, and 17. Claim 17 of the ’261
5 patent recites:

6 A system for use in a vehicle, comprising:

- 7 (a) a camera adapted for installation in a vehicle aimed at a location
to capture images of a driver's face;
- 8 (b) coupled to the camera, a circuit that includes an image processor
9 that processes image data to generate processed facial identifying
data to identify human faces;
- 10 (c) coupled to the circuit, a radio communications link with an
11 antenna adapted for communications to a wide area radio
network;
- 12 (d) wherein the circuit reports to a server across the wide area radio
13 network the processed facial identifying data regarding identity of
14 a driver and issues auditory reports or visual reports or both to the
driver of the vehicle when it reports to the server that the driver
was exceeding a speed limit by more than a threshold.

15 *Id.* at 14:3-17. Claims 1 and 16 are substantially identical to claim 17 except that instead of
16 “issu[ing] auditory reports or visual reports or both to the driver of the vehicle when it reports to
17 the server that the driver was exceeding a speed limit by more than a threshold,” the system
18 “instructs a mobile telephone to enter a restricted mode” and “reports that it has instructed the
19 mobile telephone to enter a restricted mode” (Claim 1) or “if the mobile telephone does not
20 respond that it has entered the restricted mode, reports to the server across the wide area radio
21 network that the mobile telephone has not responded that it has entered the restricted mode.”
22 (Claim 16). *See id.* at 12:2-18, 13:4-19.

23 On August 18, 2023, Defendant moved to dismiss the complaint on the ground that the
24 ’261 patent is invalid as a matter of law under 35 U.S.C. § 101. *See* Dkt. No. 50.

25 **II. LEGAL STANDARD**

26 Rule 8(a) requires that a complaint contain “a short and plain statement of the claim
27 showing that the pleader is entitled to relief[.]” Fed. R. Civ. P. 8(a)(2). A defendant may move to
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1 dismiss a complaint for failing to state a claim upon which relief can be granted under Rule
2 12(b)(6). “Dismissal under Rule 12(b)(6) is appropriate only where the complaint lacks a
3 cognizable legal theory or sufficient facts to support a cognizable legal theory.” *Mendiondo v.*
4 *Centinela Hosp. Med. Ctr.*, 521 F.3d 1097, 1104 (9th Cir. 2008). To survive a Rule 12(b)(6)
5 motion, a plaintiff must plead “enough facts to state a claim to relief that is plausible on its face.”
6 *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007). A claim is facially plausible when a
7 plaintiff pleads “factual content that allows the court to draw the reasonable inference that the
8 defendant is liable for the misconduct alleged.” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). In
9 reviewing the plausibility of a complaint, courts “accept factual allegations in the complaint as
10 true and construe the pleadings in the light most favorable to the nonmoving party.” *Manzarek v.*
11 *St. Paul Fire & Marine Ins. Co.*, 519 F.3d 1025, 1031 (9th Cir. 2008). Nonetheless, courts do not
12 “accept as true allegations that are merely conclusory, unwarranted deductions of fact, or
13 unreasonable inferences.” *In re Gilead Scis. Secs. Litig.*, 536 F.3d 1049, 1055 (9th Cir. 2008).

14 Section 101 of the Patent Act describes the scope of patentable subject matter as
15 encompassing “any new and useful process, machine, manufacture, or composition of matter, or
16 any new and useful improvement thereof.” 35 U.S.C. § 101. It is well settled that laws of nature,
17 natural phenomena, and abstract ideas are excluded from the universe of patentable subject matter.
18 *See Alice Corp. Pty. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014). These categories are not patent-
19 eligible because “they are the basic tools of scientific and technological work,” which are “free to
20 all men and reserved exclusively to none.” *Mayo Collaborative Servs. v. Prometheus Labs.*, 566
21 U.S. 66, 71 (2012) (citations omitted). Allowing patent claims for laws of nature, natural
22 phenomena, and abstract ideas would “tend to impede innovation more than it would tend to
23 promote it,” thereby thwarting the primary object of the patent laws. *Id.* However, the Supreme
24 Court has also recognized the need to “tread carefully in construing this exclusionary principle lest
25 it swallow all of patent law.” *Alice*, 573 U.S. at 217.

26 The Supreme Court and Federal Circuit have articulated a two-part test for determining
27 whether a claim’s subject matter is patent-eligible. First, a court “determine[s] whether a claim is
28 ‘directed to’ a patent-ineligible abstract idea.” *Content Extraction & Transmission LLC v. Wells*

1 *Fargo Bank, Nat. Ass’n*, 776 F.3d 1343, 1346-47 (Fed. Cir. 2014) (citing *Mayo*, 566 U.S. at 75-
2 76). If so, the Court then “consider[s] the elements of the claim—both individually and as an
3 ordered combination—to assess whether the additional elements transform the nature of the claim
4 into a patent-eligible application of the abstract idea.” *Id.* at 1347. “This is the search for an
5 ‘inventive concept’—something sufficient to ensure that the claim amounts to ‘significantly more’
6 than the abstract idea itself.” *Id.* (quoting *Mayo*, 566 U.S. at 72-73).

7 To determine whether the “claim’s character as a whole is directed to excluded subject
8 matter” the Court evaluates the claimed “advance” over the prior art. *Intellectual Ventures I LLC*
9 *v. Erie Indem. Co.*, 850 F.3d 1315, 1325 (Fed. Cir. 2017) (quotation omitted). “At *Alice* step one,
10 ‘it is not enough to merely identify a patent-ineligible concept underlying the claim; [the court]
11 must determine whether that patent-ineligible concept is what the claim is ‘directed to.’” *Data*
12 *Engine Techs. LLC v. Google LLC*, 906 F.3d 999, 1011 (Fed. Cir. 2018) (quoting *Rapid Litig.*
13 *Mgmt. Ltd. v. CellzDirect, Inc.*, 827 F.3d 1042, 1050 (Fed. Cir. 2016)). The Court must “examine
14 earlier cases in which a similar or parallel descriptive nature can be seen—what prior cases were
15 about, and which way they were decided.” *Amdocs (Israel) Ltd. v. Openet Telecom, Inc.*, 841 F.3d
16 1288, 1294 (Fed. Cir. 2016). Finally, in *Aatrix Software, Inc. v. Green Shades Software, Inc.*, the
17 Federal Circuit emphasized that the question of eligibility may be determined at the pleadings
18 stage “only when there are no factual allegations that, taken as true, prevent resolving the
19 eligibility question as a matter of law.” 882 F.3d 1121, 1125 (Fed. Cir. 2018).

20 **III. ANALYSIS**

21 **A. The Court Treats Claim 17 As Representative**

22 As a threshold issue, the parties dispute whether claim 17 of the ‘261 Patent is
23 representative. *Compare* Dkt. No. 50 (“Mot.”) at 17-18 *with* Dkt. No. 66 (“Opp.”) at 5-6. When
24 assessing patent eligibility under 35 U.S.C. § 101, “[c]ourts may treat a claim as representative in
25 certain situations, such as if the patentee does not present any meaningful argument for the
26 distinctive significance of any claim limitations not found in the representative claim or if the
27 parties agree to treat a claim as representative.” *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1365 (Fed.
28 Cir. 2018). Here, Plaintiff has failed to present any “meaningful argument” for the distinctive

1 significance of any claim limitations not found in claim 17, merely asserting that “each
2 independent claim is novel for different reasons.” Opp. at 6.² Such “ cursory comments . . . do not
3 present meaningful arguments for meaningful differences.” *Splunk Inc. v. Cribl, Inc.*, No. 22-CV-
4 07611 WHA, 2023 WL 2562875, at *5 (N.D. Cal. Mar. 17, 2023). Accordingly, the Court treats
5 claim 17 of the ’261 Patent as representative.

6 **B. *Alice* Step One**

7 Proceeding to the first part of the two-part test outlined in *Alice*, the Court finds that the
8 claims of the ’261 patent are directed to the abstract idea of (1) identifying the driver of a vehicle,
9 (2) detecting driver behavior and/or vehicle activity, and (3) taking corresponding actions in
10 response. The claimed system comprises generic computer and network components – a
11 “camera,” a “circuit,” a “processor,” a “radio communications link with an antenna,” and a
12 “server” – wherein these components capture an image of the driver’s face, process the data to
13 identify the driver, communicate with a server regarding the data, and take various actions (e.g.,
14 issuing a report) in response to certain driver activity or vehicle data (e.g., exceeding a speed
15 threshold).

16 When analyzing whether a claim is directed to an abstract idea, it is helpful for courts to
17 ask whether the claims’ steps “can be performed in the human mind, or by a human using a pen
18 and paper.” *OpenTV, Inc. v. Apple, Inc.*, 2015 WL 1535328, at *4 (N.D. Cal. Apr. 6, 2015)
19 (quoting *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372 (Fed. Cir. 2011));
20 *Trinity Info Media, LLC v. Covalent, Inc.*, 72 F.4th 1355, 1361–62 (Fed. Cir. 2023). Defendant
21 argues, and the Court agrees, that the ’261 patent recites steps that a person, such as a passenger in
22 a vehicle, could perform. Claim 17 requires that the system capture an image of the driver’s face,
23 process the image data to identify the driver’s face, report the identity of the driver, and issue
24 auditory or visual reports when it reports that the driver was exceeding a certain speed threshold.
25 While the claimed system uses computer and networking components to accomplish the result,

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27 ² Plaintiff argues that claim 17 is not representative because the U.S. Patent and Trademark Office
28 found each independent claim novel, but the same is true for all claims not rejected on novelty
grounds by the patent office. Plaintiff does not make any meaningful argument as to why the
independent claims of the ’261 are distinct for purposes of patent eligibility under Section 101.

1 nothing in the claim language or specification suggests a human would not be able to perform
2 those same steps. For example, a human passenger in a vehicle could also capture an image of the
3 driver's face, recognize a driver, report that information to a database, and issue reports when a
4 certain speed threshold is crossed. Indeed, the specification even states that, in the prior art,
5 certain of the claimed steps were performed manually by humans. *See* '261 patent at 1:42-45,
6 *Opp.* at 7. The Federal Circuit has repeatedly recognized that claims directed to the collection,
7 organization, and transmission of data are "within the realm of abstract ideas." *Elec. Power Grp.,*
8 *LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (collecting cases); *see also, Content*
9 *Extraction*, 776 F.3d at 1347 ("The concept of data collection, recognition, and storage is
10 undisputedly well-known.").

11 Plaintiff argues that the claim's requirements of specific technological components
12 (camera, image processor, and antenna) preclude a finding of patent ineligibility. *Opp.* at 6. Not
13 so. The fact that some technology (e.g., a camera) may be required does not mean that the claims
14 are not abstract, when the technology claimed is only conventional components performing their
15 basic functions. For example, in *Yu v. Apple Inc.*, 1 F.4th 1040 (Fed. Cir. 2021), *cert. denied*, 142
16 S. Ct. 1113 (2022), the Federal Circuit affirmed a finding that a patent claiming an improved
17 digital camera system using two image sensors was directed to the abstract idea of "taking two
18 pictures (which may be at different exposures) and using one picture to enhance the other in some
19 way." *Id.* at 1043. The Federal Circuit found that the "idea and practice of using multiple pictures
20 to enhance each other has been known by photographers for over a century" and that "[o]nly
21 conventional camera components are recited to effectuate the resulting 'enhanced' image." *Id.*
22 Here too, the components recited in the '261 patent "were well-known and conventional" and "as
23 claimed, these conventional components perform only their basic functions . . . and are set forth at
24 a high degree of generality." *Id.*

25 Plaintiff further argues that the '261 patent cannot be directed to an abstract idea because it
26 is an improvement over prior art and identified an unmet need at the time of invention. The Court
27 disagrees. Plaintiff confuses an inventive concept with novelty, which does not necessarily
28 transform an abstract idea into a patentable one. *See, e.g., SAP Am., Inc. v. InvestPic, LLC*, 898

1 F.3d 1161, 1163 (Fed. Cir. 2018) (“We may assume that the techniques claimed are
2 groundbreaking, innovative, or even brilliant, but that is not enough for eligibility.”);
3 *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014) (“We do not agree ... that the
4 addition of merely novel or non-routine components to the claimed idea necessarily turns an
5 abstraction into something concrete.”). The improvements claimed in the ’261 patent are not
6 directed to improvements in *computer functionality*, but merely improvements in efficiency or
7 speed by automating review of vehicle camera images and driver behavior that was previously
8 accomplished via human review. The fact that computer components can carry out the abstract
9 idea faster and more efficiently is “insufficient to render the claims patent eligible.” *Enco Sys.,*
10 *Inc. v. DaVincia, LLC*, 845 F. App’x 953, 957 (Fed. Cir. 2021), *cert. denied*, 142 S. Ct. 435
11 (2021).

12 For a similar reason, Plaintiff’s reliance on *Finjan, Inc. v. Blue Coat Systems, Inc.*, 879
13 F.3d 1299 (Fed. Cir. 2018), is misplaced. In *Finjan*, the Federal Circuit held that a patent directed
14 to an innovative method of virus scanning was patent eligible as an improvement in computer
15 functionality. *Finjan*, 879 F.3d at 1304. Notably, in that case, the Federal Circuit relied heavily
16 on the district court’s narrow construction of the claims – specifically, that the limitation of a
17 “security profile that identifies suspicious code” meant a profile that included all potentially
18 hostile operations based upon a novel, “behavior-based” virus scan detailed in the specification
19 and involving a new kind of computer file. *Id.* The Federal Circuit held that this specific
20 methodology was not merely directed to the abstract idea of “virus scanning” but was instead a
21 concrete inventive improvement to an existing computer functionality.

22 Here, there is no construction (and Plaintiff has not proposed any) that requires a specific
23 method of implementing the results of the claimed invention. Instead, the patented claims merely
24 recite a desired result – facial recognition of a driver and taking actions in response to certain
25 driver activity or vehicle data – which is accomplished using “conventional components
26 performing their basic functions.” *Yu*, 1 F.4th at 1043. Finally, to the extent Plaintiff relies on
27 details set forth in the specification relating to the specific implementation of the claimed system
28 (e.g., Opp. at 8-9), the absence of those details from the claim language militates against patent

1 eligibility. *See Yu*, 1 F.4th 1044-45 (“In these circumstances, the mismatch between the
2 specification statements that [the patentee] points to and the breadth of claim 1 underscores that
3 the focus of the claimed advance is the abstract idea and not the particular configuration discussed
4 in the specification that allegedly departs from the prior art.”).

5 **C. *Alice* Step Two**

6 Turning to step two of the *Alice* inquiry, the Court considers “whether the claimed
7 elements— ‘individually and as an ordered combination’—recite an inventive concept.” *Cellspin*
8 *Soft, Inc. v. Fitbit, Inc.*, 927 F.3d 1306, 1316 (Fed. Cir. 2019) (quoting *Alice*, 573 U.S. at 217).
9 Here, the Court finds that the ’261 patent does not recite an inventive concept sufficient to elevate
10 the claims beyond a mere abstract idea.

11 Plaintiff does not dispute that the claimed elements, taken individually, recite generic
12 computer and network components such as a “camera,” a “circuit,” a “processor,” a “radio
13 communications link with an antenna,” and a “server.” Instead, Plaintiff argues that, considered as
14 a whole, the ’261 patent represents an improvement over the prior art and is therefore transformed
15 into a patent-eligible invention. *Opp.* at 14. Again, Plaintiff conflates novelty under 35 U.S.C. §§
16 102 and 103 with inventiveness under 35 U.S.C. § 101 and *Alice*. In Plaintiff’s own words, “the
17 ’261 patent identifies an unmet need . . . to know how much a vehicle is driven, by whom, when,
18 where, at what speed compared to the speed limit, carrying what load, and whether any of the
19 drivers take their eyes off the road for too long or engage in other risky driving behaviors” and is
20 an improvement on prior art where “cameras could be installed in vehicles to take images of
21 drivers while they are driving and the images could be sent to insurance companies for human
22 review.” *Opp.* at 7. In other words, the claimed novelty stems from using generic computer
23 components to carry out an abstract idea faster and with more efficiency than a person, and not a
24 “non-conventional and non-generic arrangement of known, conventional pieces.” *Bascom Glob.*
25 *Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir. 2016). Accordingly,
26 the Court finds that the ’261 patent claims fail to recite an inventive concept sufficient to
27 transform the patent from an abstract idea to a patent-eligible invention.

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D. Leave to Amend

Defendant seeks dismissal of the complaint with prejudice, and Plaintiff does not respond to this argument or ask for leave to amend. The Court is skeptical that any additional allegations could establish that the asserted claims are directed to patent eligible subject matter, given the language of the patent itself and the legal standards discussed above. But it cannot definitively say at this stage that amendment necessarily would be futile. Accordingly, the Court will grant Plaintiff one opportunity to file an amended complaint.

IV. CONCLUSION

The Court **GRANTS** Defendant's motion to dismiss the complaint with leave to amend.³ Any amended complaint must be filed within 21 days of the date of this order. Failure to remedy the deficiencies described in this order will result in dismissal with prejudice and without further leave to amend.

The Court further **CONTINUES** the case management conference to December 19, 2023, at 2:00 p.m. All counsel shall use the following dial-in information to access the call:


Dial-In: 888-808-6929;

Passcode: 6064255

All attorneys and pro se litigants appearing for a telephonic case management conference are required to dial in at least 15 minutes before the hearing to check in with the courtroom deputy. For call clarity, parties shall NOT use speaker phone or earpieces for these calls, and where at all possible, parties shall use landlines. The Court further **DIRECTS** the parties to meet and confer and submit a joint case management statement by December 12, 2023.

IT IS SO ORDERED.

Dated: October 23, 2023


HAYWOOD S. GILLIAM, JR.
United States District Judge

³ Defendant moves to dismiss the entire complaint on the grounds that all claims of the '261 patent are invalid under Section 101. *See* Mot. at 13, 25. Plaintiff does not contest Defendant's challenge as to all claims of the '261 patent, and the Court accordingly treats all claims of the '261 patent as asserted and grants Defendant's motion as to all claims.