Bedrock Computer Technologies, LLC v. Softlayer Technologies, Inc. et al Doc. 385

January 12, 2011

The Honorable John D. Love
William M. Steger Federal Building and United States Courthouse
211 W. Ferguson, Room 210
Tyler, Texas 75702

Re: *Bedrock Computer Technologies, LLC v. SoftLayer Technologies, Inc.*, 6:09-CV-00269 – Defendants' Letter Brief Requesting Permission to File Motion for Summary Judgment of Invalidity of All Asserted Claims under 35 U.S.C. § 101

Dear Judge Love:

Defendants[1] respectfully request permission to file a motion for summary judgment of invalidity of all asserted claims under 35 U.S.C. § 101. The asserted patent claims are invalid as a matter of law because they fail to claim patent-eligible subject matter under § 101 pursuant to the standards stated by the Supreme Court in *Bilski v. Kappos*.[2] Patentability of claims under § 101 is a matter of law properly decided on summary judgment.[3] The Court should grant the permission sought for at least the reasons discussed below.

I. Patentability under § 101 is a threshold question of law that must be considered.

"Whether a claim is drawn to patent-eligible subject matter under § 101 is a threshold inquiry" that is "an issue of law" for the court.[4] "As the Supreme Court stated . . ., "[t]he obligation to determine what type of discovery is sought to be patented [so as to determine whether it is 'the kind of "discoveries" that the statute was enacted to protect'] must precede the determination of whether that discovery is, in fact, new or obvious."[5]

II. The asserted claims fail the requirements of 35 U.S.C. § 101 and are thus invalid.

Claims that encompass abstract concepts are not patentable under § 101.[6] *Bilski* held that the abstractness and patentability of a method claim can be resolved "on the basis of this Court's decisions in *Benson*, *Flook*, and *Diehr*."[7] Bedrock's asserted claims are very similar to the

[1] This letter brief is filed on behalf of all current defendants in this litigation.
[2] 130 S. Ct. 3218 (2010).
[3] *See, e.g., Abstrax, Inc. v. Dell, Inc.*, No. 2:07-CV-221-DF-CE, 2009 WL 3255085 (E.D. Tex. Oct. 7, 2009) ("patentability of a claim under § 101 is a question of law").
[4] *In re Bilski*, 545 F.3d 943, 950 (Fed. Cir. 2008) (en banc) (citations omitted), *aff'd, Bilski v. Kappos*, 130 S. Ct. 3218 (2010).
[5] *In re Comiskey*, 554 F.3d 967 (Fed. Cir. 2009) (quoting *Parker v. Flook*, 437 U.S. 584, 593 (1978) (emphasis added by the Federal Circuit)).
[6] *Bilski,* 130 S. Ct. at 3229-30.
[7] *Id.*

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claims the Supreme Court held invalid in *Benson* and *Flook*, and they are materially different from the claims held valid in *Diehr*. *Bilski* held that the "machine-or-transformation" test is "a useful and important clue" in determining whether a claimed method is patentable under § 101.[8] The asserted claims fail this test. This failure is a strong signal that the claims are abstract and invalid.

Given space limitations, Defendants will address one asserted claim, Claim 3. The same or similar analysis applies to Claim 7 and the other claims. Claim 3 is as follows:

> A method for storing and retrieving information records using a linked list to store and provide access to the records, at least some of the records automatically expiring, the method comprising the steps of:
>
> - accessing the linked list of records,
> - identifying at least some of the automatically expiring ones of the records, and
> - removing at least some of the automatically expired records from the linked list when the linked list is accessed.

A. Claim 3 encompasses an abstract concept and is very similar to the claims held invalid in *Benson* and *Flook*.

Claim 3 is invalid under § 101. *Benson* held that if the practical effect of a patent claim is to patent an idea, then the patent claim is invalid under § 101.[9] Claim 3 encompasses the basic idea of removing a data record via a basic algorithm: accessing data from an abstract data structure (linked list), identifying at least some expired records, and removing the expired records when accessing the data structure. Like the claim at issue in *Benson*, the algorithm of Claim 3 has "no substantial practical application except in connection with a digital computer" as the algorithm involves computer data (records) and a computer data structure (linked list).[10] Thus, like the claims held invalid in *Benson*, Claim 3 is "in practical effect" a patent claim "on the algorithm itself."[11] Accordingly, Claim 3 is invalid under § 101.

Claim 3 is very similar to *Benson's* invalidated claim 8 and thus encompasses an abstract idea. At issue in *Benson* was a "method of programming a general-purpose computer to convert signals from binary-coded decimal form into pure binary form."[12] Claim 8 in *Benson* includes a data storing step (step 1) and a number of data processing steps (steps 2-7) that act on the data stored in step 1, and therefore inherently include a step of accessing the data in order to process it.[13] Steps 2 through 8 of *Benson*'s Claim 8, which access and process data, are analogous to Claim 3's steps of "accessing the linked list of records" and "identifying" – a form of processing – expired records. The step of "storing" data in a register in *Benson*'s claim 8 (step 1) is

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[8] *Id*. at 3227.
[9] *Gottschallk v. Benson*, 409 U.S. 63, 65, 71-72 (1972).
[10] *Benson*, 409 U.S. at 71-72 (1972).
[11] *Id.*
[12] *Id.* at 65.
[13] *Id.* at 73-74.

analogous to the step of "removing" expired data in Claim 3. In sum, the steps of Claim 3 are analogous to the steps of claim 8 in *Benson*, which the Supreme Court held to be invalid.

A comparison of Claim 3 with the claim held invalid in *Flook* also shows that Claim 3 encompasses an abstract idea. The claim at issue in *Flook* is directed to a "method for updating a value of at least one alarm limit on at least one process variable" used in a process of catalytic conversion of hydrocarbons.[14] The claim involves making various determinations (steps 1-3) and then taking action (adjusting the alarm limit, step 4) based on those determinations.[15] Similarly, Bedrock's Claim 3 involves making determinations (identifying records that have automatically expired) and then taking action based on those determinations (removing the automatically expired records). Thus, Claim 3, like the claim in *Flook*, is abstract and invalid.

In short, Claim 3 is an abstract idea embodied by an algorithm and is not patentable under § 101 per the Supreme Court in *Benson* and *Flook*.

Furthermore, claim 3 is materially different from the claims at issue in *Diehr*. The claims in *Diehr* "involve the transformation of an article, in this case raw, uncured synthetic rubber, into a different state or thing…"[16] Those claims passed the "machine-or-transformation test," while – as described below – Claim 3 and the other asserted claims fail it.

Moreover, that Claim 3 encompasses a basic idea embodied by an algorithm exhibits itself manifestly. An examination of claim 3, as discussed above, immediately reveals that the claim seeks to encompass the basic idea of accessing data from an abstract data structure (linked list), identifying at least some expired records, and removing the expired records when accessing the data structure. Thus, unlike the claims at issue in *Research Corp. Technologies, Inc.*,[17] consideration of Claim 3 as a whole shows that Claim 3 is manifestly abstract and claims an idea.

B. Claim 3 fails the Machine-or-Transformation Test.

The machine-or-transformation test remains "a useful and important clue" for determining validity under 35 U.S.C. §101.[18] Claim 3 is not "tied to a particular machine or apparatus" and does not "transform[] a particular article into a different state or thing."[19] Bedrock may try to claim that a linked list as recited in Claim 3 is a "particular machine or apparatus to which Claim 3 is "tied." However, a linked list is a merely an abstract concept, not a machine or apparatus. Claim 3 makes no mention of any machine or apparatus, much less a particular machine or apparatus to which it is tied. Consequently, Claim 3 fails the machine branch of the machine-or-transformation test.

In addition, Claim 3 does not "transform[] a particular article into a different state or thing." Bedrock may try to claim that the record "removal" of Claim 3 is a transformation.

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[14] *Parker v. Flook*, 437 U.S. 584, 596-97 (1978).
[15] *Id.*
[16] *Diamond v. Diehr*, 450 U.S. 175, 184 (1981).
[17] *Research Corp. Technologies, Inc. v. Microsoft Corp.*, 2010 WL 4971008, at *7-8 (Fed. Cir. Dec. 8, 2010)
[18] *Bilski*, 130 S. Ct. at 3227.
[19] *Id.* at 3225.

However, removing data from computer memory does not physically transform the memory into a different thing. Moreover, this Court has construed "removing" such that de-allocation of the memory occupied by the record is not required, allowing the "removed" record to remain in memory, unchanged. Thus, Claim 3 also fails the transformation branch of the machine-or-transformation test.

C. The analysis of Claim 3 applies to all of the asserted claims.

While the analysis above used Claim 3 as an example, the analysis is also directly applicable to Claim 7. Claims 3 and 7, and their respective dependent claims, are not patentable subject matter under 35 U.S.C § 101. Also, under *In re Abele*, method claims and means-plus-function claims are treated the same for this analysis.[20] Where an apparatus claim comprises functionally-defined means and is asserted to cover all means for performing the function, then the claim is analyzed as a "process" under Section 101.[21] Here the structure defined for Claims 1 and 5 (means-plus-function claims), per the Court's construction, are components of a general purpose computer. Therefore, Claims 1 and 5, and their respective dependent claims, are subject to the same analysis as the asserted method claims. These claims, like Claim 3, are abstract like the claims found invalid in *Benson* and *Flook*, and the claims fail the machine-or-transformation test. Thus, Claims 1 and 5 and their dependent claims are invalid under Section 101.

D. Post-Bilski, Courts continue to invalidate abstract claims under § 101.

Following the Supreme Court's decision in *Bilski*, Courts have continued to find claims to abstract ideas to be non-patentable subject matter under § 101. For example, in *Ultramerical*, the court relied upon the principles of *Bilski* to invalidate a patent claiming processes for distribution of copyrighted works.[22] In *Graff*, the court applied *Bilski* to invalidate claims directed towards using a computer to generate purchase prices for property.[23]

III. Conclusion

For at least these reasons, Claim 3 and other asserted claims are invalid under § 101 as a matter of law. Defendants respectfully request permission to file a motion for summary judgment of invalidity under § 101.

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[20] *In re Abele*, 684 F.2d 902, 909 (C.C.P.A. 1982).
[21] *Id.*
[22] *Ultramercial, LLC v. Hulu, LLC*, No. CV 09-06918, 2010 WL 3360098, at *1-*7 (C.D. Cal. Aug. 13, 2010).
[23] *Graff/Ross Holdings LLP v. Federal Home Loan Mortgage Corp.*, Civ. Case No. 07-796 (D.D.C. Aug. 27, 2010).

Respectfully submitted,

*/s/ Claude M. Stern*______________
Claude M. Stern
Quinn Emanuel Urquhart & Sullivan
Attorneys For Defendant Google Inc. and Match.Com, LLC

*/s/ Alan L. Whitehurst*_____________
Alan L. Whitehurst
Alston & Bird LLP
Attorneys For Defendants MySpace Inc. and AOL Inc.

*/s/ E. Danielle T. Williams*_________
E. Danielle T. Williams
Kilpatrick Townsend & Stockton LLP
Attorneys For Defendants SoftLayer Technologies, Inc. and Amazon.com, Inc.

*/s/ Yar R. Chaikovsky*_______
Yar R. Chaikovsky
McDermott Will & Emery
Attorneys For Defendant Yahoo! Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3) on January 12, 2011. Any other counsel of record will be served by First Class U.S. mail on this same date.

/s/ E. Danielle T. Williams
E. Danielle T. Williams