IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

ALOFT MEDIA, LLC,	§	
Plaintiff,	§	Civil Action No. 6:09-CV-304
v.	§	JURY TRIAL DEMANDED
ORACLE CORPORATION, ET AL.,	§	
Defendants.	§	
	§	

DEFENDANTS' MOTION FOR SUMMARY JUDGMENT OF INVALIDITY OF UNITED STATES PATENT NOS. 7,499,898 AND 7,593,910

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Halliburton Co., Halliburton Energy Services, Inc., and Fair Isaac Corporation (collectively "Defendants") hereby move for summary judgment that the asserted claims of United States Patent Nos. 7,499,898 ("the '898 Patent") and 7,593,910 ("the '910 Patent") (collectively the "Aloft Patents") are invalid because all of the claims in the Aloft Patents claim unpatentable subject matter. 35 U.S.C. § 101. A chart summarizing the analysis in this motion is attached for the Court's convenience at Exhibit 1.

I. BACKGROUND

Aloft Media, LLC, ("Aloft") filed the instant suit on July 14, 2009, and accused the Defendants of infringement of both the '898 and '910 patents. The Aloft Patents claim priority to United States Patent No. 6,876,991 and share a common specification. The claims of the Aloft Patents are directed to the steps of making a decision executed by a computer program. Specifically, the asserted claims recite computing output values by applying unspecified mathematical algorithms and computation methods to data values in order to produce displays for decision making purposes. The claims include a process that enables multiple decision makers to make strategic decisions in a variety of organizationally and technically complex circumstances.

During the prosecution, the claims of both patents were rejected under § 101 for claiming abstract ideas. In order to overcome these rejections, Aloft added limitations at the suggestion of the examiner to limit their claims to specific business fields of use. The recent Supreme Court ruling in *Bilski v. Kappos*, 130 S. Ct. 3218 (2010) holds that "limiting an abstract idea to one field of use" does not impart patentability on an abstract idea. The asserted claims are invalid because the Aloft Patents issued solely because of the field of use limitations, limitations that have been expressly rejected by the Supreme Court in *Bilski*, and therefore the Court should grant Defendants' motion.

The Markman Hearing in this case is set for January 13, 2011. Patentability under § 101 is purely a legal issue and is ripe for decision on summary judgment. Defendants request that the Court hear this motion at that time in order to save judicial resources because a ruling confirming that Aloft's claims are directed to abstract ideas would render the need for claim construction moot.

II. STATEMENT OF ISSUE TO BE DECIDED

Whether the asserted claims of the Aloft Patents are invalid for not meeting the requirements of 35 U.S.C. §101.

III. UNDISPUTED FACTS

1. The '898 Patent was filed on July 25, 2007 and issued on March 3, 2009. ('898 Patent attached hereto as Ex. A).

2. The '910 Patent was filed on June 26, 2007 and issued on September 22, 2009. ('910 Patent attached hereto as Ex. B).

3. The Aloft Patents were reviewed by the same examiner. (Exs. A and B).

4. Aloft has accused Halliburton Co. and Halliburton Energy Services, Inc. of infringing Claims 110, 111, 113, 114, 115, 117, 118, 119, 120, 121, 122, 128, 129, 135, 139, 140, 141, 157, 159, 161, 163, 166, 172, 176, 177, 209, 326, 335, 346, 363, 365, 366, and 368 from the '910 Patent, and Claims 14, 15, 17, 18, 19, 20, 22, 35, 41, 42, 43, 44, 45, 57, and 63 from the '898 Patent. Aloft has accused Fair Isaac Corporation of infringing Claims 110, 111, 113, 114, 115, 118, 119, 120, 121, 122, 128, 129, 135, 138, 139, 140, 141, 209, 326, 335, 346, 363, 365, 366, 367, and 368 from the '910 Patent, and Claims 14, 15, 17, 19, 35, 41, 42, 43, 44, 45, 46, 57, 62, and 63 from the '898 Patent. (Collectively, these claims are referred to hereafter as the "Asserted Claims.")

5. Claim 14 is the only independent claim asserted from the '898 Patent and Claim 110 is the only independent claim asserted from the '910 Patent, and those claims read as follows:

Claim 110 of the '910 Patent	**Claim 14 of the '898 Patent**
A computer program product embodied on a tangible computer readable medium, comprising: computer code capable of performing logic related to decision-making;	A computer program product embodied on a tangible computer readable medium, comprising, comprising: computer code for causing execution of an application capable of performing decision logic,
the computer code belonging to an application which is a real estate-related application, a medical-related application, a corporate-related application, a product supply-related application, a service supply-related application, or a financial-related application;	the application including at least one application that is a real estate-related application, a medical-related application, a corporate-related application, a product supply-related application, a service supply-related application, or a financial-related application;
computer code for retrieving first information from a storage;	computer code for retrieving first information from a database, per the application;
computer code for receiving second information from a user utilizing a user interface;	computer code for receiving second information from a user utilizing a user interface, per the application;
computer code for processing the first information and the second information;	computer code for processing the first information and the second information utilizing the decision logic;
computer code for generating a display,	computer code for generating at least two of: a

the display including at least one display that is a tornado diagram, a decision sensitivity display, a decision hierarchy display, an influence diagram, or a potential feasible hybrid theme.	tornado diagram, a decision sensitivity display, a decision hierarchy display, an influence diagram, and a potential feasible hybrid theme.

6. All of the original claims of '898 Patent and '910 Patent were rejected under 35 U.S.C. § 101 because they related to abstract ideas. (September 29, 2008, '898 Patent Office Action, attached hereto as Ex. C at 3-7; September 9, 2008, '910 Patent Office Action, attached hereto as Ex. F at 3-6).

7. In rejecting the '898 and '910 claims as unpatentable abstract ideas, the examiner of the '898 Patent stated that "[n]othing is specified in the claims to limit the invention to a particular application," and then listed over a page of exemplary application-specific fields of use that could arguably impart patentability under § 101. ('898 Patent Office Action, Ex. C at 3-4; '910 Patent Office Action, Ex. F at 3-4).

8. In order to overcome the § 101 rejection in both patents, Aloft's[1] only action was to add application specific field of use limitations to each of the independent claims. Aloft's argument for patentability relied solely on the addition of the application specific limitations, stating, "Specifically, applicant has amended each of the independent claims to require at least one application 'that is a real estate-related application, a medical-related application, a corporate-related application, a product supply-related application, a service supply-related application, or a financial-related application,' in the context claimed." (October 20, 2008, '898 Patent Office Action Response, Ex. D at 12; March 9, 2009, '910 Patent Office Action Response, Ex. G at 40).

[1] All references to Aloft's actions in the prosecution history are directed to Aloft and any predecessor in interest.

9. The examiner of the ’898 and ’910 patents allowed all of the amended claims based on the addition of the limitations added in the October 20, 2008, and March 9, 2009 Office Action Responses, respectively. (December 31, 2008 Notice of Allowance, attached hereto as Ex. E; July 13, 2009 Notice of Allowance, attached hereto as Ex. H at 2-4).

10. All of the Asserted Claims are directed to manipulating and calculating data for purposes of making a decision, executed by a computer program. (‘898 Patent, Ex. A at 2:1-3; ‘910 Patent, Ex. B at 2:1-3).

IV. APPLICABLE LEGAL STANDARD

The “[s]ummary judgment procedure is properly regarded not as a disfavored procedural shortcut, but rather as an integral part of the Federal Rules as whole, which are designed to secure the just, speedy and inexpensive determination of every action.” *Celotex Corp. v. Catrett*, 477 U.S. 317, 323 (1986). “Summary judgment is as appropriate in a patent case as in any other.” *Barmag v. Murata Mach., Ltd.*, 731 F.2d 831, 835 (Fed. Cir. 1984). Summary judgment should be granted when there is no genuine issue of material fact and judgment as a matter of law is appropriate. FED. R. CIV. P. 56(a); *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 256 (1986).

V. ARGUMENT

A. The Threshold Legal Issue of Patentability Under 35 U.S.C. § 101 Should Be Decided on Summary Judgment

Patentability under 35 U.S.C. § 101 is a threshold legal issue. *In re Bilski*, 545 F.3d 943, 950-51 (Fed. Cir 2008) (*en banc*) (hereinafter “*Bilski*”), *aff’d*, 130 S. Ct. 3218 (2010). In order to be actionable, a patent’s claims must be drawn to patent-eligible subject matter under § 101. *Id*. at 950. Accordingly, the § 101 inquiry is properly raised on a motion for summary judgment. *See, Perfect Web Techs., Inc. v. InfoUSA, Inc.*, 587 F.3d 1324, 1326 (Fed. Cir. 2009).

The Court need only review the patent and the prosecution history to decide the discrete, case-dispositive legal issue presented by this motion. The Aloft Patents each have only one asserted independent claim from which all the remaining asserted claims depend. The relevant prosecution history for each Aloft Patent consists of an office action, a patentee's response to the office action, and a notice of allowance. The record necessary to decide the issue of patentability under § 101 is short and fully developed. Accordingly, Defendants respectfully ask the Court to decide the discrete legal issue raised by this motion now on summary judgment.

B. The Aloft Patent Claims Are Invalid Under 35 U.S.C. § 101 Because They Are Directed to an Abstract Idea

Section 101 of the Patent Act defines four categories of patentable subject matter: processes, machines, manufactures, and compositions of matter. 35 U.S.C. § 101. "The scope of § 101 [is] the same regardless of the form - machine or process - in which a particular claim is drafted. *AT&T Corp. v. Excel Communs.*, 172 F.3d 1352, 1357 (Fed. Cir. 1999). However, "mental processes, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work." *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972). As the Supreme Court further emphasized in *Bilski*, "abstract ideas" are not patentable subject matter. 130 S. Ct. at 3229-30.

The claims of the Aloft Patents are computer readable media claims that are subject to the analysis from *Bilski*. *Cybersource Corp. v. Retail Decisions, Inc.*, 620 F. Supp. 2d 1068, 1079 (N.D. Cal. 2009). In *Bilski* the Supreme Court confirmed that under the "constitutional standard" by which § 101 must be interpreted, purported "inventions" are ineligible for patent protection if, once patented, they "would stifle the very progress that Congress is authorized to promote," or preempt technological innovation in a given field. *Bilski*, 130 S. Ct. at 3253. The asserted claims do not withstand this constitutional test. If the asserted claims remain valid, they would

preempt the entire field of computer software technology in the fields defined by the patentee itself: "logic" and "decision making." Like the claims the Supreme Court invalidated in *Bilski*, all asserted claims of the Aloft Patents are invalid for claiming an abstract idea.

1. Claims Directed To Abstract Ideas Are Not Patentable

a) The Prosecution History Shows That the Asserted Claims Are Directed to Non-Patentable Subject Matter.

The inventions claimed in the Aloft Patents use computer software to compute output values by applying unspecified mathematical algorithms and computation methods to data values in order to produce displays used to make decisions. The claims as issued and as originally filed are directed to nonstatutory abstract ideas, and should have never issued. Every original claim of both the '898 Patent and the '910 Patent was rejected during prosecution for claiming an abstract idea. (September 29, 2008, '898 Patent Office Action, Ex. C at 3-7); (September 9, 2008, '910 Patent Office Action, Ex. F at 3-6). In both file histories, the examiner issued nearly identical rejections stating that the asserted claims "fail to provide a practical application and is insufficient to establish a real world 'tangible' result." (September 29, 2008, '898 Patent Office Action, Ex. C at 5); (September 9, 2008, '910 Patent Office Action, Ex. F at 5). The examiner also stated that, "Nothing is specified in the claims to limit the invention to a particular application." (September 29, 2008, '898 Patent Office Action, Ex. C at 3); (September 9, 2008, '910 Patent Office Action, Ex. F at 3). The examiner then went on to list over a page of applications that could be used to limit the claims. *Id*.

Aloft made only one argument to overcome the § 101 rejections. Specifically, Aloft added an amendment restricting the claims to particular fields of use. (October 20, 2008, '898 Patent Office Action Response, Ex. D at 12); (March 9, 2009, '910 Patent Office Action

Response, Ex. G at 40).[2] The amendment and argument was the only action taken by Aloft to overcome the § 101 rejection, and the claims were allowed. (July 13, 2009 Notice of Allowance, Ex. H at 2-4); (December 31, 2008 Notice of Allowance, Ex. E).

Unfortunately for Aloft, its amendments during prosecution are not enough to withstand the standard recently articulated in the *Bilski* decision. In *Bilski*, the Supreme Court reaffirmed its decision in *Parker v. Flook*, 437 U.S. 584, 585 (1978) and explained that "*Flook* established that limiting an abstract idea to one field of use or adding token post-solution activity did not make the concept patentable." *Bilski*, 130 S. Ct. at 3231. Aloft obtained allowance of its claims by doing exactly what *Flook* and *Bilski* prohibit, limiting an abstract idea to a particular field. The added element limiting the Aloft claims to real estate, medical, corporate, product supply, service supply, or financial related applications is not enough to impart patentability on the otherwise abstract idea that was originally rejected by the patent examiner in both Aloft Patents. The *Bilski* decision makes clear that the claims as issued with the added application-specific limitation are still not directed to patentable subject matter, and are therefore invalid under § 101.

b) The Asserted Claims Themselves Show That They Are Directed to Non-Patentable Subject Matter

The prosecution histories of the Aloft Patents provide clear evidence that the claims as issued are invalid. Moreover, the plain language of the asserted claims, read in the context of the specification, shows that they are directed to unpatentable abstract ideas. For example, the claims refer only to the function of performing "logic related to decision-making," which essentially asserts exclusive rights to an unpatentable abstract idea. (Ex. A at 18:60; Ex. B at 22:42-43). The claims attempt to patent the concept of "decision making" by manipulating data

[2] Aloft's argument to the examiner stated, "[s]pecifically, applicant has amended each of the independent claims to require at least one application 'that is a real estate-related application, a medical-related application, a corporate-related application, a product supply-related application, a service supply-related application, or a financial-related application,' in the context claimed." *Id*.

to compute output "values" correlated to abstract "strategies" and "uncertainties." (Ex. A at 18:60, 20:31, Fig. 3a at 129, Fig. 5a at 514, 12:35-41, 13:2-15; Ex. B at 22:43, 23:48-49, 24:25-27, Fig 3a at 129, Fig. 5a at 514, 12:35-41, 13:2-15). The instant claims are strikingly similar to the *Bilski* claims that were directed to the concept of "hedging risk" and were invalidated as nonpatentable abstract ideas. 130 S. Ct. at 3231.

Additionally, the claims simply involve mathematical formulas and ultimately rely on mathematical algorithms. A claim falls outside the realm of § 101 when it is "directed essentially to a method of calculating," "using a mathematical formula," or solving a given type of mathematical problem. *Flook*, 437 U.S. at 595; *In re Schrader*, 22 F.3d 290, 294 (Fed. Cir. 1994). For example, the holding in *Ex parte Bhooshan Prafulla Kelkar et al.*, was that a computer-implemented method for determining similarity between portions of gene expression profiles was an unpatentable abstract idea. 2010 WL 3768175, *3 (Bd. Pat. App. & Int. Sept. 24, 2010) (holding the application's only innovation is its reliance on a mathematical algorithm). The asserted claims of the Aloft Patents have the same fatal flaw: the claims are directed to "processing the first information and the second information utilizing the decision logic," which is an abstract idea tied to unspecified mathematical algorithms and computation methods. (Ex. A at 18:3-4; Ex. B at 22:52-53). For these reasons, the claims are invalid under § 101.

2. The Asserted Aloft Claims Also Fail The Machine or Transformation Test

The prosecution histories alone are enough evidence for the Court to invalidate the asserted claim, but the Aloft Patent claims also fail the machine or transformation test. In addition to the standards reaffirmed in *Bilski*, the principal test for distinguishing between patent-

eligible inventions and patent-ineligible abstract ideas is the "machine-or-transformation" test[3]. Under that test, a claim is not patentable unless it either (1) is tied to a particular machine, or (2) transforms a particular article from one thing into another. *Bilski*, 545 F.3d at 961. Further, the claimed machine or transformation must impose meaningful limits on the claim's scope; it must not be merely insignificant extra-solution activity.

a) The Aloft Patents Are Not Tied To A Particular Machine

The machine-or-transformation test is a two-branched inquiry; an applicant may show that a claim satisfies § 101 either by showing that his claim is tied to a particular machine, or by showing that his claim transforms an article. Certain considerations are applicable to analysis under either branch. First, as illustrated by *Benson* and discussed below, the use of a specific machine or transformation of an article must impose meaningful limits on the claim's scope to impart patent-eligibility. Second, the involvement of the machine or transformation in the claimed process must not merely be insignificant extra-solution activity. *In re Bilski*, 545 F.3d at 961-62 (internal citations omitted).

The asserted claims of the Aloft Patents fail both tests. To satisfy the "machine" branch of the machine-or-transformation test, a claim must be "*tied* to a *particular* machine" or a "*specific* machine or apparatus." *In re Bilski*, 545 F.3d at 961-62 (emphases added). Claims that recite a particular machine may still fail the "machine" branch of the test if (1) the involvement of the machine in the claimed process is insignificant, or (2) the use of the specific machine does not impose meaningful limits on the claim's scope. *In re Bilski*, 545 F.3d at 961-62. As

[3] In *Bilski*, the Supreme Court reaffirmed that patentability under § 101 is a threshold legal issue and held that the patent at issue there was not drawn to a patent-eligible process because it attempted to claim an abstract idea. In reaching its decision, the Court endorsed the Federal Circuit's machine-or-transformation test as "a useful and important clue, an investigative tool, for determining whether some claimed inventions are processes under § 101." 130 S. Ct. at 3227. Although the Court left open the *possibility* that some processes failing the machine-or-transformation test may be patent-eligible, it declined to offer any alternative to the test. *Id.* at 3229.

explained by the Supreme Court, "limiting an abstract idea to one field of use or adding token post solution components [does] not make [a] concept patentable." *Bilski*, 130 S. Ct. at 3231.

All of the asserted claims of the '898 and '910 patents unquestionably fail the "machine" branch because they are not tied to a particular machine. The claims merely imply use of a general purpose computer by referring to a "computer program product embodied on a tangible computer readable medium." This is insufficient to convey patentability.[4] Allowing the recitation of a general purpose computer in combination with purely functional steps to form the basis for patentability would "exalt form over substance" and permit preemption of fundamental principles or abstract ideas by the mere addition of a "computer." *Ex parte Halligan*, 89 U.S.P.Q.2d 1355, 1365 (B.P.A.I. 2008). Thus, the claims of the Aloft Patents fail the "machine" aspect of the "machine-or-transformation" test.

b) The Aloft Patents Do Not Transform Any Article

To satisfy the "transformation" branch of the machine-or-transformation test, a claim must "transform[] an article into a different state or thing." *In re Bilski*, 545 F.3d at 962. As with the "machine" branch, the transformation may not be insignificant and must impose meaningful limits on the execution of the claimed method steps, *i.e.*, "it must be central to the purpose of the claimed process." *Id*. "Purported transformations or manipulations simply of public or private legal obligations or relationships, business risks, or other such abstractions cannot meet the test because they are not physical objects or substances, and they are not representative of physical objects or substances." *Id*. at 963. A claim does not involve the

[4] *See, e.g.*, *Ultramercial, LLC v. Hulu, LLC*, et al., No. 09-CV-06918, *slip op*. at 5 (C.D. Cal. Aug. 13, 2010) ("One cannot circumvent the patentability test by merely limiting the use of the invention to a computer."); *Gottschalk v. Benson*, 409 U.S. 63, 64 (1972) (holding that a method directed to "general-purpose digital computers" was not patentable); *DealerTrack, Inc. v. Huber*, 657 F.Supp.2d 1152, 1156 (C.D. Cal. July 7, 2009) (finding that a number of devices, including a general purpose computer, did not constitute a "'particular machine' within the meaning of *Bilski*.").

transformation of any article, or an electric signal representative thereof where, as in *Bilski*, the claim language itself refers only to values corresponding to abstract variables. *Id*. The Aloft Patents claims refer only to "values" that correspond to abstract variables such as "risk" or "uncertainty." (Ex. A at 18:60, 20:31, Fig. 3a at 129, Fig. 5a at 514, 12:35-41, 13:2-15; Ex. B at 22:43, 23:48-49, 24:25-27, Fig 3a at 129, Fig. 5a at 514, 12:35-41, 13:2-15). Values and abstract variables are not articles, and the mere manipulation of data values corresponding to abstract variables does not transform the data values into a different state or thing. *Bilski*, 545 F.3d at 963.

Further, the Federal Circuit has "frequently stated that adding a data-gathering step to an algorithm is insufficient to convert that algorithm into a patent-eligible process." *Id*. at 963. "[T]he inherent step of gathering data can also fairly be characterized as insignificant extra-solution activity." *Id*. Just as the claims of the '898 and '910 patents fail to recite a particular machine, they fail to identify any article or thing that is transformed in any way. The claims of the Aloft Patents merely recite gathering data from a user and a database, processing the data, and outputting the same data in a visual display. The data never changes into a new form -- it is simply shown on a graph. For this reason, the claims of the Aloft Patents fail the transformation aspect of the "machine-or-transformation" test.

VI. CONCLUSION

The asserted claims of the Aloft Patents are simply abstract ideas tied to field of use limitations. Moreover, even if the claims survive this threshold test, they are invalid for failing to meet the Federal Circuit's machine-or-transformation test. For these reasons and the reasons outlined in Exhibit 1, the claims of the Aloft Patents are not drawn to patent eligible subject matter under 35 U.S.C. § 101. Accordingly, Defendants respectfully requests that the Court grant its motion for summary judgment and invalidate the asserted claims of the Aloft Patents.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that, on October 29, 2010, the foregoing document was filed electronically in compliance with Local Rule CV-5(a). As such, this notice was served on all counsel who have consented to electronic service. Local Rule CV-5(a)(3)(A).

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