

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS**

MAXON, LLC

Plaintiff,

vs.

FUNAI CORPORATION, INC.

Defendant

**Case No. 1:16-cv-7685  
(Coordinated Lead Case 1:16-cv-06840)**

Hon. Gary Feinerman  
Magistrate Hon. Sidney I. Schenkier

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**DEFENDANT'S MEMORANDUM IN SUPPORT OF ITS  
MOTION TO DISMISS COMPLAINT FOR FAILURE TO STATE A CLAIM  
UPON WHICH RELIEF CAN BE GRANTED**

**TABLE OF CONTENTS**

I. INTRODUCTION .....1

II. STATEMENT OF ISSUE TO BE DECIDED.....1

III. LEGAL STANDARD.....1

    A. Patent Ineligibility is a Threshold Question of Law .....1

    B. The Two-Part *Alice* Test .....2

    C. The Section 101 Analysis is Properly Focused on Representative Claims .3

IV. THE CLAIMS OF THE PATENTS-IN-SUIT ARE *NOT* PATENT ELIGIBLE ...4

    A. The Asserted Claims of the ‘194 Patent are Directed to the Abstract Idea of Interaction with a Device on a Shared Network.....4

    B. The Asserted Claims of the Remaining Patents-in-Suit are also Directed to the Abstract Idea of Selective Interaction with a Device in a Network.....10

        1. The Representative Claims of the Remaining Patents-in-Suit.....10

        2. The Claims of the Patents-in-Suit are *NOT* Patentably Distinct From Each Other as a Matter of Law.....10

        3. The Asserted Claims of the ‘649, ‘671 and ‘160 Patents Are Drawn to the Same Abstract Concept as the ‘194 Patent .....11

        4. The Asserted Claims of the ‘649 Patent Fail *Alice* Step 2.....13

        5. The Asserted Claims of the ‘671 Patent Fail *Alice* Step 2.....14

        6. The Asserted Claims of the ‘160 Patent Fail *Alice* Step 2.....14

V. CONCLUSION.....15

**TABLE OF CONTENTS**

**Cases**

*Accenture Global Servs. GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336 (Fed. Cir. 2013) ..... 7, 10, 13

*Affinity Labs of Texas, LLC v. DirecTV, LLC*, --- F.3d ---, 2016 WL 5335501 (Fed. Cir. Sept. 23, 2016) ..... passim

*Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347 (2014) ..... passim

*Application of Braithwaite*, 379 F.2d 594 (C.C.P.A. 1967)..... 11

*Aristocrat Techs. Austral. Pty Ltd. v. IGT*, 521 F.3d 1328 (Fed. Cir. 2008) ..... 9

*buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350 (Fed. Cir. 2014)..... 2, 7, 10, 13

*Content Extraction & Transmission LLC v. Wells Fargo Bank*, 776 F.3d 1343 (Fed. Cir. 2014) ..... passim

*Digitech Image Tech., LLC v. Electronics for Imaging, Inc.*, 758 F.3d 1344 (Fed. Cir. 2014) ..... 9, 13

*Gilead Sciences, Inc. v. Natco Pharma Ltd.*, 753 F.3d 1208 (Fed. Cir. 2014) ..... 11

*Gottschalk v. Benson*, 409 U.S. 63 (1972) ..... 8

*In re Hubbell*, 709 F.3d 1140 (Fed. Cir. 2013) ..... 11

*In re Longi*, 759 F.2d 887 (Fed. Cir. 1985)..... 11

*In re TLI Commc’ns LLC Patent Lit.*, 823 F.3d 607 (Fed. Cir. 2016) ..... passim

*Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363 (Fed. Cir. 2015) ..... 8

*Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343 (Fed. Cir. 2015) ..... 2, 5, 11

*Joao Control & Monitoring Systems, LLC v. Telular Corporation*, --- F.Supp.3d ---, 2016 WL 1161287 (N.D. Ill., March 23, 2016) ..... 3, 4, 12

*Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289 (2012) ..... 3, 14, 15

*Mortgage Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314 (Fed. Cir. 2016) ..... 8, 10, 13

*Nextpoint, Inc. v. Hewlett Packard Co.*, Case. No. 15-C-8850-EEB (N.D. Ill, June 8, 2016) ..... passim

<i>OIPTechs., Inc. v. Amazon.com, Inc.</i> , 788 F.3d 1359 (Fed. Cir. 2015) .....	2, 12, 14
<i>OpenTV, Inc. v. Apple, Inc.</i> , No. 14-cv-01622, 2015 WL 1535328 (N.D. Cal. Apr. 6, 2015) .....	9, 13
<i>Parker v. Flook</i> , 437 U.S. 584 (1978).....	9
<i>Smart Systems Innovations, LLC v. Chicago Transit Authority</i> , 2015 WL 4184486 (N.D. Ill., July 10, 2015).....	3
<i>Snowcast Solutions LLC v. Endurance Specialty Holdings, Ltd.</i> , 2016 WL 1161299 (N.D. Ill., March 23, 2016) .....	3
<i>Ultramercial, Inc. v. Hulu, LLC</i> , 772 F.3d 709 (Fed. Cir. 2014) .....	2, 15
<i>Versata Development Group, Inc. v. SAP America, Inc.</i> , 793 F.3d 1306 (Fed. Cir. 2015) .....	4, 12
<i>WMS Gaming Inc. v. International Game Tech.</i> , 184 F.3d 1339 (Fed. Cir. 1999).....	9
<b>Statutes</b>	
35 U.S.C. § 101.....	passim
35 U.S.C. § 112.....	9
<b>Rules and Regulations</b>	
Fed. R. Civ. P. 12(b)(6).....	1, 15

## **I. INTRODUCTION**

Defendant Funai Corporation, Inc. (referred to herein as “Funai”) submits this memorandum in support of its Motion to Dismiss the Complaint pursuant to FED. R. CIV. P. 12(b)(6) on the ground that it fails to state a claim upon which relief can be granted. (Dkt. No. 1). Plaintiff, Maxon, LLC (“Maxon”) has accused Funai of directly infringing four related patents, each sharing a common disclosure: U.S. Patent Nos. 7,171,194 (“the ‘194 Patent”), 7,486,649 (“the ‘649 Patent”), 7,489,671 (“the ‘671 Patent”) and 8,989,160 (“the ‘160 Patent”) (collectively referred to herein as “the Patents-in-Suit”).

For the reasons set forth herein, Funai respectfully submits the Complaint should be dismissed because the claims of the Patents-in-Suit are not patent eligible under 35 U.S.C. § 101.<sup>1</sup>

## **II. STATEMENT OF ISSUE TO BE DECIDED**

Whether the claims of the Patents-in-Suit are not patent eligible under 35 U.S.C. § 101 because they claim abstract ideas without reciting any separate inventive concept and, as such, this case should be dismissed for failure to state a claim upon which relief can be granted.

## **III. LEGAL STANDARD**

### **A. Patent Ineligibility is a Threshold Question of Law**

Section 101 provides that “[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.” 35 U.S.C. § 101.

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<sup>1</sup> By way of order entered September 16, 2016 (Dkt. No. 13), the Executive Committee of the United States District Court for the Northern District of Illinois ordered that the instant litigation and four other cases filed by Maxon, LLC – including *Maxon, LLC v. Panasonic Corporation of North America*, 16-CV-6843 – be presided over by this Court. To further the judicial efficiency that gave rise to that Order, Funai adopts and incorporates, as though fully set forth herein, the Motion to Dismiss filed by Panasonic in 16-CV-6843 (Dkt. No. 15). The arguments offered by Panasonic in support of its Motion to Dismiss equally support grounds for dismissal of Maxon’s causes of action against Funai, without need for further recitation of facts or further argument.

The Supreme Court has explained, however, that § 101 “contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014).

The Federal Circuit has explained the § 101 analysis “bears some of the hallmarks of a jurisdictional inquiry” and as such, must be addressed before the Court turns to “addressing questions of invalidity or infringement.” *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 718 (Fed. Cir. 2014). Only if § 101 is satisfied “is the inventor allowed to pass through to the other requirements for patentability.” *Id.* at 718. Given the threshold nature of the § 101 analysis, the Federal Circuit has consistently recognized it is proper to determine patent eligibility under 35 U.S.C. § 101 on a Rule 12 motion. *See, e.g., In re TLI Commc’ns LLC Patent Lit.*, 823 F.3d 607, 611 (Fed. Cir. 2016); *Ultramercial*, 772 F.3d at 717; *Content Extraction & Transmission LLC v. Wells Fargo Bank*, 776 F.3d 1343, 1351 (Fed. Cir. 2014); *OIPTechs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362 (Fed. Cir. 2015); *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014).

## **B. The Two-Part *Alice* Test**

To assess patent eligibility, the Supreme Court has formulated a two-part test. At step one, the court must evaluate the claims “[o]n their face” to determine to which “concept” the claims are “drawn.” *Alice*, 134 S. Ct. at 2356 (“On their face, the claims before us are drawn to the concept of intermediated settlement.”). This step involves “ascertaining the basic character of the subject matter” of the claim. *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1348 (Fed. Cir. 2015). “The ‘abstract idea’ step of the inquiry calls upon us to look at the ‘focus of the claimed advance over the prior art’ to determine if the claim’s ‘character as a whole’ is directed to excluded subject matter.” *Affinity Labs of Texas, LLC v. DirecTV, LLC*, --- F.3d ---, 2016 WL 5335501, \*3 (Fed. Cir. Sept. 23, 2016).

If the court determines the claims are drawn to an abstract concept, the court must ask, “[w]hat else is there in the claims before us?” *Alice*, 134 S. Ct. at 2356, quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1297 (2012). This second step is “a search for an inventive concept—*i.e.*, an element or combination of elements that is sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.” *Id.* (brackets in original). These “additional elements” must be “more than simply stating the abstract idea while adding the words ‘apply it.’” *Id.* at 2357. Moreover, “well-understood, routine, conventional activity” or technology—including general-purpose computers and computer networks—do not provide an “inventive concept.” *Id.* at 2357-59. “Thus, if a patent’s recitation of a computer amounts to a mere instruction to implement an abstract idea on a computer, that addition cannot impart patent eligibility.” *Id.* at 2358.

### **C. The Section 101 Analysis is Properly Focused on Representative Claims**

In *Alice*, the Supreme Court collectively considered and held 208 computer method, media, and system claims in four patents unpatentable based on two representative claims. 134 S. Ct. at 2359-60; *see also*, *Mayo*, 132 S. Ct. 1289 at 1295 (“The Supreme Court’s precedents have not required a court deciding § 101 eligibility to parse each individual claim, instead finding an analysis of representative claims sufficient.”); *Smart Systems Innovations, LLC v. Chicago Transit Auth.*, 2015 WL 4184486, \*4 (N.D. Ill., July 10, 2015) (“For the purposes of a § 101 challenge, where a patent’s claims are ‘substantially similar and linked to the same abstract idea,’ courts may look to representative claims.”), quoting *Content Extraction*, 776 F.3d at 1348.<sup>2</sup>

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<sup>2</sup> *See also*, *Joao Control & Monitoring Sys., LLC v. Telular Corp.*, 2016 WL 1161287, \*1 (N.D. Ill., Mar. 23, 2016) (finding 200 claims ineligible based on the four representative claims); *Snowcast Soln’s LLC v. Endurance Specialty Holdings, Ltd.*, 2016 WL 1161299, \*2 (N.D. Ill., Mar. 23, 2016) (finding 20 claims ineligible based on the two representative claims).

In addition to satisfying the Federal Circuit’s criteria, the claims analyzed in this motion have added indicia of their representative nature. In its Complaint, Maxon has chosen representative claims upon which it bases its allegations of infringement. *See*, Dkt. No. 1 at ¶¶ 9, 12, 15 and 18. For this motion, Funai analyzes Maxon’s selected representative claims under the two-step *Alice* test.

#### **IV. THE CLAIMS OF THE PATENTS-IN-SUIT ARE NOT PATENT ELIGIBLE**

##### **A. The Asserted Claims of the ‘194 Patent are Directed to the Abstract Idea of Interaction with a Device on a Shared Network**

Maxon asserts that Funai’s sale of “electronic equipment such as televisions sets” infringes “some or all of the 12 claims of the ‘194 Patent.” Representative Claim 8 reads:

8. A device that is capable of sharing a common network address with other devices, the device comprising:

a user interface configured to enable a user to select a service available to but not associated with the device; and

logic in communication with the user interface configured to format a signaling word responsive to the user’s selection, wherein the signaling word comprises a unique identifier that uniquely identifies the device among others sharing the common network address, and payload data configured to associate the service to the device via the unique identifier.

(Ex. 1 at 14:40-51).<sup>3</sup>

***Alice Step 1*** – Claims that have “no particular concrete or tangible form or application” are deemed to be drawn to abstract concepts. *Joao Control*, 2016 WL 1161287, \*7, citing *Versata Development Group, Inc. v. SAP America, Inc.*, 793 F.3d 1306, 1333-34 (Fed. Cir. 2015). “Stripped of excess verbiage,” the asserted claims of the ‘194 Patent are drawn to the abstract

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<sup>3</sup> It is unclear whether Maxon contends that Funai’s sale of a TV can infringe any claims other than claim 8 and its dependent claim 9, because the other claims are all specifically directed to a telephone. However, any argument by Maxon that Funai’s TVs can infringe claims 1-7 or 10-12 further demonstrates the preemptive character of such claims. *Cf.*, *Nextpoint, Inc. v. Hewlett Packard Co.*, Case. No. 15-C-8850-EEB, Slip Op. at 11 (N.D. Ill, June 8, 2016). *See also*, discussion of claim 8 of the ‘160 Patent, *infra*.

concept of interaction with a device on a shared network. *Affinity Labs*, 2016 WL 5335501, \*1, \*3-4 (Fed. Cir. Sept. 23, 2016).

As in the Federal Circuit's recent decision in *Affinity Labs*, "[t]here is nothing in [the claim] that is directed to how to implement" the abstract idea; rather "the claim is drawn to the idea itself." *Id.* at \*3. Instead, the claimed concept "is a broad and familiar concept concerning information distribution that is untethered to any specific or concrete way of implementing it." *Id.* While the specification includes examples drawn to telephones, the specification makes clear that the claimed "device" can be any "systems and devices where it is desirable to use a single address with a plurality of devices." (Ex. 1 at 1:17-19). The specification later sets forth a laundry list of generic and conventional devices. (*id.* at 13:20-25; *see also, id.* at 4:23-29). As this court stated in *Nextpoint, Inc. v. Hewlett Packard Co.*, Case. No. 15-C-8850-EEB (N.D. Ill, June 8, 2016), "it is difficult to reconcile passages such as this with plaintiff's argument that the [patent-in-suit] claims a 'specific technical solution' to the problem the inventors identified." Slip Op. at 11; *see also, Affinity Labs*, 2016 WL 5335501, \*4 ("Even if all the details contained in the specification were imported into the [] claims, the result would still not be a concrete implementation of the abstract idea. In fact, the specification underscores the breadth and abstract nature of the idea embodied in the claims.").

Whereas "generalized steps to be performed on a computer using conventional computer activity" are not patent eligible, *Internet Patents*, 790 F.3d at 1348-49, the asserted claims are not even so limited. To the contrary, the terms "address" and "identifier" further compound their intangible state, including all "types of address that can identify a desired destination or device":

"Address", as used herein, includes but is not limited to one or more network accessible addresses, device identifiers, telephone numbers, IP addresses, url and ftp locations, e-mail addresses, names, a distribution list including one or more

addresses, network drive locations, *postal addresses*, account numbers or *other types of addresses that can identify a desired destination or device*.

(Ex. 1 at 3:7-13 (emphasis added); *see also, id.* at 5:5-43). Just as in *Nextpoint*, “the fact that the specification describes a wide variety of alternative configurations supports the conclusion that the patent could preempt every application” of the claimed abstract concept. Slip Op. at 12. And just as in *Affinity Labs*, “nothing in the flow chart or the text of the specification provides any details regarding the manner in which the invention accomplishes the recited functions.” 2016 WL 5335501, \*5; compare *id.* with Ex. 1 at Figs. 1 and 6.

Compounding this fact, the claim term “logic” is defined in the specification in purely functional terms; it can be a combination of hardware and software (*e.g.*, a computer) or “fully embodied as software” so long as it “perform[s] a function(s) or an action(s), and/or to cause a function or action from another component.” (Ex. 1 at 2:35-44). Thus, even the function(s) are nothing more than abstract concepts of, in essence, *being functional*. Of particular importance, the patent does not provide any specific “logic,” algorithm,” or the like. Instead, the patent discloses conventional components, using known languages and services, to perform generic functionality, none of which imparts any inventive concept. *Nextpoint*, Slip. Op at 17; *see also, Affinity Labs*, 2016 WL 5335501, \*9 (“claims that are ‘so result-focused, so functional, as to effectively cover any solution to an identified problem’ are frequently held ineligible”).

The “logic” is applied to the interaction of the “user” and “user interface.” Even if one were to assume *arguendo* these were somehow not abstract concepts, the patentees again took them beyond anything concrete or tangible. The term “user” is defined in the patent as including “but is not limited to one or more persons, software, computers or other devices, or combinations of these.” (Ex. 1 at 3:65-67). Thus, the logic can be software, which interfaces with other software, which would seemingly go so far as to preempt artificial and/or machine intelligence.

Alternatively, the “logic” can be software that interacts with a “user” which is a combination of “one or more persons, software, computers or other devices,” thereby preempting entire fields of bionics, robotics, and many concepts still existing only in the realm of science fiction.

Given these broad definitions, the claims are so abstract as to ensnare vast areas of technology both old and new. Indeed, these claims not only preempt all computer-networked peripherals (*e.g.*, printers, scanners, *etc.*), faxes, phones, tablets and TVs, but because the patentee’s own definitions include postal addresses, the claims preempt mail delivery by the U.S. Postal Service. *Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1341 (Fed. Cir. 2013) (“In the case of abstractness, the court must determine whether the claim poses ‘any risk of preempting an abstract idea.’” (citation omitted)).

The asserted claims of the ‘194 Patent have “no particular concrete or tangible form or application” and as such are drawn to patent ineligible abstract concepts which fail *Alice* Step 1.

***Alice Step 2*** – There is no inventive concept which transforms the claimed abstract concepts into a patent eligible invention. Indeed, “it is clear from the face of the patent that it is directed to ‘the use of conventional or generic technology in a nascent but well-known environment, without any claim the invention reflects an inventive solution to any problem presented in combining the two.’” *Nextpoint*, Slip. Op. at 12, citing *TLI Commc’ns*, 823 F.3d at 612. Nor does the specification disclose any new component or feature whose particular use in the claimed devices is the reason for the alleged superiority over the prior art. *Id.* at 11. Accordingly, the claims are patent ineligible under § 101.

The specification states the “present invention relates generally to network systems.” (Ex. 1 at 1:13-14). The Federal Circuit, however, has made clear that sending information over a network is “not even arguably inventive.” *buySAFE*, 765 F.3d at 1355. And while the claims are

drawn to a “device,” as noted above they are not limited to any particular type, category, or specific device; the specification makes it clear that it can be any conventional device. (*See, e.g.*, Ex. 1 at 1:16-19; 4:23-29; 13:20-25). The claimed “user interface” is, in the best light for the patent owner, admittedly conventional including keyboards, keypads, phone dials, joysticks, *etc.* (*id.* at 6:25-31). Such generic computer hardware elements do not render an abstract idea patent eligible. *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) (“[T]he interactive interface limitation is a generic computer element.”); *Mortgage Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1324–25 (Fed. Cir. 2016) (generic computer elements such as “interface” do not satisfy the inventive concept requirement).<sup>4</sup>

To the extent it is a computer which the logic is acting upon or interacting with (*see, e.g.*, Ex. 1 at 4:63-5:3), it is well established that the use of a computer cannot transform an otherwise abstract concept into patent eligible subject matter.<sup>5</sup> *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1367-68 (Fed. Cir. 2015), citing *Alice*, 134 S. Ct. at 2351-52. To the extent the “logic” is software (Ex. 1 at 2:36), it amounts to nothing more than an intangible idea capable of instructing something to do something one might want to do. The Supreme Court has long held that algorithms for performing simple data conversion (like decoding) are abstract. *See Gottschalk v. Benson*, 409 U.S. 63, 67-68 (1972) (describing an algorithm for translating binary coded decimals into pure binary numerals); *Parker v. Flook*, 437 U.S. 584, 593-94 (1978) (computing alarm limits in a catalytic conversion process). Here, the claims are neither limited to

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<sup>4</sup> This does not even take into account that the term “user” is defined to “include[] but is not limited to one or more persons, software, computers or other devices, or combinations of these.” This renders the claimed abstract concept even less concrete as opposed to addressing a “specific technical solution.” *See, e.g., Nextpoint*, Slip Op. at 11; *TLI Commc’ns*, 823 F.3d at 612.

<sup>5</sup> To the extent the logic is performed by a human, it is *per se* ineligible. *Content Extraction*, 776 F.3d at 1348 (patent claim is directed to an abstract idea when it involves a concept that is “well-known” and that “humans have always performed.”).

any algorithm nor is any specific algorithm disclosed.<sup>6</sup>

The claimed “signaling word” fails to render the claims patent eligible. First, the specification states that the “specific format” of the claimed signaling words is “not integral to this invention.” (*Id.* at 6:19-20). Moreover, the term “signal” is defined in the most generic of terms encompassing any “other means that can be received, transmitted and/or detected”), which another court used as a colorful example of ineligible subject matter. (Ex. 1 at 2:45-49). The Federal Circuit has held that “signals” are not patent eligible subject matter. *Digitech Image Tech., LLC v. Electronics for Imaging, Inc.*, 758 F.3d 1344, 1350 (Fed. Cir. 2014) (“Although we acknowledged that a signal had physical properties with ‘tangible causes and effects,’ we nevertheless concluded that ‘such transitory embodiments are not directed to statutory subject matter.’ . . . We thus held that the physical embodiment of the supplemental data—the claimed ‘signal’—was not patent eligible.” (citations omitted)). Indeed, as defined in the specification, the term “signal” is literally broad enough to encompass smoke signals, which another court used as a colorful example of ineligible subject matter. *OpenTV*, 2015 WL 1535328, at \*4.

Nothing with respect to the “addresses,” “identifiers” or “payload data” is tangible nor do these elements provide inventive concept. Each of these terms are used generically throughout the specification. As discussed above, the term “address” is defined to encompass any “types of addresses that can identify a desired destination or device” including phone numbers and postal addresses. (Ex. 1 at 2:7-13). The term “payload data” is nowhere defined nor is a specific example

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<sup>6</sup> For functional limitations implemented by a programmed general purpose computer or microprocessor, the corresponding structure described in the patent specification must include an algorithm for performing the function. 35 U.S.C. § 112, ¶ 6; *WMS Gaming Inc. v. International Game Tech.*, 184 F.3d 1339, 1349 (Fed. Cir. 1999). The corresponding structure is not a general purpose computer but rather the special purpose computer programmed to perform the disclosed algorithm. *Aristocrat Techs. Austl. Pty Ltd. v. IGT*, 521 F.3d 1328, 1333 (Fed. Cir. 2008).

even exemplified. The Federal Circuit has held that generic computer functions such as data transmission, identification and databases do not satisfy the inventive concept requirement. *Mortgage Grader*, 811 F.3d at 1324-25; *see also buySAFE*, 765 F.3d at 1355 (sending information over a network is “not even arguably inventive”); *Accenture Global*, 728 F.3d at 1344–45 (database components did not make claims patent-eligible).

Finally, Maxon cannot argue the inventive concept lies in an ordered combination since regardless of their order, the claims are directed to “well-understood, routine, and conventional activities” *Alice*, 134 S. Ct. at 2360; *Content Extraction*, 776 F.3d at 1348.<sup>7</sup> Failing both parts of the *Alice* test, the asserted claims of the ‘194 Patent are *not* patent eligible under § 101.

**B. The Asserted Claims of the Remaining Patents-in-Suit are also Directed to the Abstract Idea of Selective Interaction with a Device in a Network**

**1. The Representative Claims of the Remaining Patents-in-Suit**

As with the ‘194 Patent, Maxon has identified what it considers is the representative claim of each patent for purposes of infringement and, as such, Funai relies on those identified claims for its § 101 analysis as follows: Claim 6 of the ‘649 Patent (*Id.* at ¶ 15; Ex. 2 at 14:15-55); Claim 6 of the ‘671 Patent (*Id.* at ¶ 12; Ex. 3 at 13:65-14:32); and Claim 8 of the ‘160 Patent (Dkt. No. 1 at ¶ 9; Ex. 4 at 14:31-64).

**2. The Claims of the Patents-in-Suit are NOT Patentably Distinct From Each Other as a Matter of Law**

Of particular significance, the claims of each of these three Patents-in-Suit were rejected under the doctrine of obviousness-type double patenting and each patent was terminally disclaimed to overcome those rejections. Obviousness-type double patenting “prohibits the issuance of claims

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<sup>7</sup> Claim 9 adds a “computer readable media” which the specification admits encompasses, *inter alia*, all known types of generic and conventional medium. *See, e.g.*, Ex. 1 at 2:14-34. As such, claim 9 does not add any inventive concept.

in a second patent that are ‘not patentably distinct from the claims of the first patent.’” *In re Hubbell*, 709 F.3d 1140, 1145 (Fed. Cir. 2013), quoting *In re Longi*, 759 F.2d 887, 892 (Fed. Cir. 1985). An obviousness-type double patenting rejection can be overcome by filing a terminal disclaimer – “a terminal disclaimer ‘causes [such] ... patents to expire together, a situation ... which is tantamount for all practical purposes to having all the claims in one patent.’” *Gilead Sciences, Inc. v. Natco Pharma Ltd.*, 753 F.3d 1208, 1214 (Fed. Cir. 2014)(emphasis added), quoting *Application of Braithwaite*, 379 F.2d 594, 601 (C.C.P.A. 1967).<sup>8</sup>

Thus, as a matter of law, the Court can properly treat the claims of the Patents-in-Suit as if they were all in a single patent. And because the claims of the Patents-in-Suit as a whole are not patentably distinct from each other, they are all necessarily drawn to the same abstract concept. *See, e.g., Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015) (“Under step one of *Mayo/Alice*, the claims are considered in their entirety to ascertain whether their character as a whole is directed to excluded subject matter.”); *Content Extraction*, 776 F.3d at 1349 (patent eligibility is focused on the “basic character” of the claimed subject matter).

### **3. The Asserted Claims of the ‘649, ‘671 and ‘160 Patents Are Also Drawn to the Same Abstract Concept as the ‘194 Patent**

In addition to the lack of patentable distinctness, the claims of the ‘649, ‘671 and ‘160 Patents all fail *Alice* Step 1 for the same reasons the claims of the ‘194 Patent fail. A simple review of Maxon’s infringement allegations shows the same analysis applied to each of the representative claims. (*Compare* Dkt. No. 1 ¶¶ 9, 12, 15, 18). Once the “excess verbiage” is “strip[ped]” away,

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<sup>8</sup> Each of the Patents-in-Suit indicates on its face they are subject to a terminal disclaimer. Copies of the terminal disclaimers are appended hereto as Ex. 5 (the ‘649 Patent); Ex. 6 (the ‘671 Patent); and Ex. 7 (the ‘160 Patent).

all of the asserted claims are drawn to the same abstract concept – *i.e.*, interaction with a device on a shared network . *Affinity Labs*, 2016 WL 5335501, \*1.

For example, instead of “logic,” the claims of the ‘649 and ‘671 Patents recite “management logic” which performs the same function of associating a service/content with a particular device located on a shared network. The representative claims of the ‘649 and ‘671 Patents have an added element of a “processor that controls the management logic.” Yet like the ‘194 Patent, all of the vagaries of the device, network, logic, addresses, *etc.*, have “no particular concrete or tangible form or application” and, as such, are drawn to abstract concepts. *Joao Control*, 2016 WL 1161287, \*7, citing *Versata*, 793 F.3d at 1333-34. As in *Affinity Labs*, “[t]here is nothing in [the claim] that is directed to *how* to implement” the abstract idea; rather “the claim is drawn to the idea itself.” 2016 WL 5335501, \*3 (emphasis original).<sup>9</sup>

With respect to the ‘160 Patent, limiting the claims to an “audio-video device” does not render the abstract concept any less abstract. *Id.* at \*4 (“The Supreme Court and this court have repeatedly made clear that merely limiting the field of use of the abstract idea to a particular existing technological environment does not render the claims any less abstract.”); *TLI Commc’ns*, 823 F.3d at 613; *OIP Techs.*, 788 F.3d at 1362-63. And while the “logic” of the ‘194 Patent claims is replaced with “input/output logic,” it remains defined in functional terms (*i.e.*, of being configured to receive from a user a desired change to a service capable of being provisioned), not “*how* to implement” the abstract idea but simply “drawn to the idea itself.” *Affinity Labs*, 2016 WL 5335501, \*3 (emphasis original);. The addition of a “transceiver,” which performs the same

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<sup>9</sup> Dependent claims 7-11 of the ‘649 Patent, claims 7-11 of the ‘671 Patent and claims 9-14 of the ‘160 Patent simply add limitations to confine the “abstract idea to a particular technological environment,” which does not render any of the claims less abstract. *Affinity Labs*, 2016 WL 5335501, \*4.

functions of processing inbound signals, modifying stored information, receiving desired changes, making such changes, *etc.* does not make the claim less abstract. It too simply performs generic computer functions described in functional terms, just “the idea itself.” *Id.*; *see also, OpenTV*, 2015 WL 1535328, at \*6 (“The [patent] system claim components are described solely in terms of their functions, and the ‘broadcasting,’ ‘receiving,’ ‘storing,’ ‘assembling,’ ‘associating,’ and ‘transmitting’ functions performed by those components boil down to electronic communication and recordkeeping, two of the ‘most basic functions of’ generic computer technology.”), citing *Alice*, 134 S. Ct. at 2359.

For each of the forgoing reasons, the representative claims of the ‘649, ‘671 and ‘160 Patents are drawn to patent ineligible abstract concepts and fail *Alice* Step 1.

#### **4. The Asserted Claims of the ‘649 Patent Fail *Alice* Step 2**

Representative claim 6 (and its dependent claims 7-11) fare no better in *Alice* Step 2 because they lack inventive content. The generic computing steps and components associated with the claims fail for the same reasons discussed above in the context of the ‘194 Patent.

The recited “identifiers,” “routing information,” and “content” are intangible information. *Digitech*, 758 F.3d at 1350. Likewise, any attempt by Maxon to rely on the “tangible” element of the claims – *i.e.*, “network,” “database,” “processor,” and “computer readable medium” – similarly fails. “Purely functional and generic” components cannot render the claims patent eligible. *Alice*, 134 S. Ct. at 2360. And as noted above, generic computer components such as a “network” and “database” do not satisfy the inventive concept requirement. *Mortgage Grader*, 811 F.3d at 1324–25; *see also buySAFE*, 765 F.3d at 1355 (sending information over a network is “not even arguably inventive”); *Accenture Global*, 728 F.3d at 1345 (“The limitations of claim 1 are essentially a database of tasks, a means to allow a client to access those tasks, and a set of rules that are applied to that task on a given event. Although the specification of the [patent-in-suit] contains very

detailed software implementation guidelines, the system claims themselves only contain generalized software components arranged to implement an abstract concept on a computer.”). Nor do these claims require any new component or feature whose particular use in the claimed devices is the reason for the alleged superiority over the prior art. *Nextpoint*, Slip Op. at 11. Failing both parts of the *Alice* test, the asserted claims of the ‘649 Patent are *not* patent eligible under § 101.

#### **5. The Asserted Claims of the ‘671 Patent Fail *Alice* Step 2**

The attached side-by-side comparison chart shows that representative claim 6 of the ‘671 Patent is nearly identical to representative claim 6 of the ‘649 Patent. (*See* Ex. 8). None of the minor differences in the text of these claims, such as (i) excluding phone numbers from the vast array of possible “unique identifiers,” (ii) the addition of a second undefined generic device to the undefined network, or (iii) changing the description of “disconnecting” to “unrelating,” add any inventive concept that would render the claims patent eligible. As discussed *supra*, each of the claimed elements are “well-understood, routine, conventional activity” that can be performed by generic computers and, as such, do not provide any inventive concept. *Alice*, 134 S. Ct. at 2359, quoting *Mayo*, 132 S. Ct. at 1294. Failing both parts of the *Alice* test, the asserted claims of the ‘649 Patent are *not* patent eligible under § 101.

#### **6. The Asserted Claims of the ‘160 Patent Fail *Alice* Step 2**

Representative claim 8 of the ‘160 Patent differs slightly from the representative claims of the other Patents-in-Suit in that this claim is drawn to an “audio-video device.” As discussed above, however, limiting the abstract concept to an “audio-video device” does not render the abstract concept any less abstract. *Affinity Labs*, 2016 WL 5335501, \*4 (“The Supreme Court and this court have repeatedly made clear that merely limiting the field of use of the abstract idea to a particular

existing technological environment does not render the claims any less abstract.”); *TLI Commc’ns*, 823 F.3d at 613; *OIP Techs.*, 788 F.3d at 1362-63.

The remainder of the claim is similar in text and content to the previously discussed claims. The “tangible elements” include the same generic “computer-readable medium,” “processor,” and “database” discussed above, each of which fails for the same reasons previously discussed. The specification admits the added “transceiver” component is generic – comprised of conventional components, performing conventional functions, in a conventional manner. (Ex. 4 at 5:10-25).

Each of the claimed elements are “well-understood, routine, conventional activity” that can be performed by generic computers that do not provide any inventive concept. *Alice*, 134 S. Ct. at 2359, quoting *Mayo*, 132 S. Ct. at 1294. Nor do these claims require any new component or feature whose particular use in the claimed devices is the reason for the alleged superiority over the prior art. *Nextpoint*, Slip Op. at 11. These claims exemplify the Federal Circuit’s characterization of “an abstract idea being garnished with accessories.” *Ultramercial*, 772 F.3d at 719. Failing both parts of the *Alice* test, the asserted claims of the ‘160 Patent are *not* patent eligible under § 101.

## V. CONCLUSION

As detailed herein, the asserted claims are drawn to abstract concepts, thereby failing the first step in the *Alice* test, and lack inventive concept, thereby failing the second step in the *Alice* test. Moreover, as detailed in Panasonic’s Motion to Dismiss in 16-CV-6843, every infringement theory advanced by Maxon requires, by its own admission, components beyond those included in the televisions as sold by Funai (and thus, as a matter of law, Funai cannot directly infringe) and each of the illustrative claims includes one or more structures that were not, and could not be, plausibly alleged to be included in the televisions as sold by Funai. Accordingly, Funai respectfully requests the Court grant Funai’s motion, finding that the asserted claims are not patent

eligible and dismissing the complaint pursuant to FED. R. CIV. P. 12(b)(6) for failing to state a claim upon which relief can be granted.

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