

HONORABLE RICHARD A. JONES

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

RECOGNICORP, LLC,

Plaintiff,

v.

NINTENDO CO. LTD., et al.,

Defendants.

CASE NO. C12-1873RAJ

ORDER

I. INTRODUCTION

This matter comes before the court on Defendants Nintendo Co., Ltd. and Nintendo of America, Inc.’s (collectively “Nintendo”) Motion for Judgment on the Pleadings on the grounds that the single patent asserted by Plaintiff RecogniCorp, LLC (“Recognicorp”) covers ineligible subject matter. Dkt. # 105. Having heard and considered the Parties’ arguments, the Court hereby **GRANTS** Nintendo’s Motion. Dkt. # 105.

II. BACKGROUND & ANALYSIS

Recognicorp is the assignee of United States Patent No. 8,005,303 (the “’303 Patent”), entitled “Method And Apparatus For Encoding/Decoding Image Data.” Dkt. # 1 (Compl.) ¶¶ 10, 12; Dkt. # 106-1 (Parris Decl.) Ex. A. Recognicorp alleges that Nintendo has infringed upon the ‘303 Patent by selling composite image customization products, including “software included on the Nintendo Wii to create and customize a facial (or other) feature of a Mii.” *Id.* ¶¶ 13, 15.

1 This case was originally filed in the United States District Court for the District of
2 Oregon, but was transferred to this Court in October 2012. *See* Dkt. # 43. In May 2013,
3 the Court stayed this action pending the United States Patent and Trademark Office’s
4 (“USPTO”) reexamination of the ‘303 Patent. *See* Dkt. # 83. As a result of the USPTO’s
5 reexamination, the USPTO issued a reexamination certificate for the ‘303 Patent. The
6 claims of the ‘303 Patent were amended to include additional limitations and several
7 claims were canceled. *See* Dkt. # 87; *see also* Dkt. # 106-3 (Parris Decl.) Ex. C.
8 Accordingly, the Court lifted the stay on May 27, 2014. Dkt. # 88.

9 The ‘303 Patent discloses a “method and an apparatus for encoding images.” Dkt.
10 # 106-1 (Parris Decl.) Ex. A at Abstract. It explains that “[i]t is known in the art to create
11 images on the basis of components that are assembled to form a complete image,” such as
12 by using “[p]aper strips containing exemplary features” or by using “a program element
13 running on a computing platform which allows a user to select individual components
14 and combining them on a pre-selected face.” *See id.* at 1:36-46. In so “constructing an
15 image, pictorial entities are selected from a library of entities as assembled into images,”
16 storage of which may require “significant amounts of memory.” *Id.* at 1:57-62. As a
17 result, the ‘303 Patent explains that “there exists a need in the industry to refine the
18 process of encoding images such as to reduce the memory requirements for storage and
19 the bandwidth required for the transmission of the image.” *Id.* at 2:9-13.

20 Nintendo argues that Claim 1 is representative.¹ *See* Dkt. # 105 at 5-6. That
21 Claim reads:

22 ¹ Recognicorp argues each asserted claim must be analyzed separately. *See* Dkt. # 113 at 7-8.
23 Neither party provides a comprehensive claim-by-claim analysis. As such, where necessary, the
24 Court addresses the few instances where the claims need be separately discussed. Where all
25 claims are directed to the same abstract idea, “addressing each claim of the asserted patents . . .
26 [is] unnecessary.” *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat’l Ass’n*,
776 F.3d 1343, 1348 (Fed. Cir. 2014); *In re TLI Commc’ns LLC Patent Litig.*, MDL No.
1:14md2534, 2015 WL 627858, at *9 (E.D. Va. Feb. 6, 2015); *see also IPLearn-Focus, LLC v.*
Microsoft Corp., Case No. 14-cv-00151-JD, 2015 WL 4192092, at *5 (N.D. Cal. July 10, 2015).

27 The Court finds that it is appropriate to consider Nintendo’s Motion without an explicit claim-
28 by-claim analysis because each of the independent claims in the ‘303 Patent, as amended on
reexamination, is directed at the same purpose. Furthermore, the dependent claims add only
ORDER – 2

1 A method for creating a composite image, comprising:

2 displaying facial feature images on a first area of a first display via a first
3 device associated with the first display, wherein the facial feature images
4 are associated with facial feature element codes;

5 selecting a facial feature image from the first area of the first display via a
6 user interface associated with the first device, wherein the first device
7 incorporates the selected facial feature image into a composite image on a
8 second area of the first display, wherein the composite image is associated
9 with a composite facial image code having at least a facial feature element
code and *wherein the composite facial image code is derived by performing
at least one multiplication operation on a facial code using one or more
code factors as input parameters to the multiplication operation*; and

10 reproducing the composite image on a second display based on the
11 composite facial image code.

12 Dkt. # 106 (Parris Decl.) Ex. C at 1:23-41 (emphasis in original).

13 The other independent claims recite similar, if not identical, limitations, including
14 the limitation “*wherein the composite facial image code is derived by performing at least
15 one multiplication operation on a facial code using one or more code factors as input
16 parameters to the multiplication operation,*” which was added on reexamination. See
17 Dkt. # 106 (Parris Decl.) Ex. C at 1:34-39, 1:59-62, 2:14-17, 2:34-37, 2:54-57.

18 III. LEGAL STANDARD

19 A motion for judgment on the pleadings under Federal Rule of Civil Procedure
20 12(c) is “functionally equivalent” to a Rule 12(b)(6) motion to dismiss for failure to state
21 a claim. *Harris v. Cnty. of Orange*, 682 F.3d 1126, 1131 (9th Cir. 2012). Rule 12(b)(6)
22 requires the court to assume the truth of the complaint’s factual allegations and credit all
23 reasonable inferences arising from its allegations. *Sanders v. Brown*, 504 F.3d 903, 910
24 (9th Cir. 2007). The plaintiff must point to factual allegations that “state a claim to relief

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26 minor limitations without changing the image encoding process. Claim 2, for example, requires
27 that the facial image be reproduced on another device. Dkt. #106-1 (Parris Decl) Ex. A 12:46-
28 47. Claims 3 through 9 add that the user may be able to modify the facial features. *Id.* 12:48-67.
And claims 11 through 15 provide that the composite image code can be saved or transmitted to
another device. *Id.* at 13:3-17.

1 that is plausible on its face.” *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 568 (2007). If
2 the plaintiff succeeds, the complaint avoids dismissal if there is “any set of facts
3 consistent with the allegations in the complaint” that would entitle the plaintiff to relief.
4 *Id.* at 563; *Ashcroft v. Iqbal*, 556 U.S. 662, 679 (2009) (“When there are well-pleaded
5 factual allegations, a court should assume their veracity and then determine whether they
6 plausibly give rise to an entitlement to relief.”).

7 The court typically cannot consider evidence beyond the four corners of the
8 complaint, although it may rely on a document to which the complaint refers if the
9 document is central to the party’s claims and its authenticity is not in question. *Marder v.*
10 *Lopez*, 450 F.3d 445, 448 (9th Cir. 2006). The court may also consider evidence subject
11 to judicial notice. *United States v. Ritchie*, 342 F.3d 903, 908 (9th Cir. 2003).²

12 IV. ANALYSIS

13 A. Initial Procedural Issues

14 Initially, Recognicorp argues that Nintendo’s motion is premature because the
15 Court has not yet construed the claims at issue in this case. *See* Dkt. # 113 at 6-7.

16 The Federal Circuit has instructed that “claim construction is not an inviolable
17 prerequisite to a validity determination under § 101.”³ *Bancorp Servs., L.L.C. v. Sun Life*
18 *Assurance Co. of Canada (U.S.)*, 687 F.3d 1266, 1273 (Fed. Cir. 2012); *see also Content*
19 *Extraction & Transmission LLC v. Wells Fargo Bank, Nat’l Ass’n*, 776 F.3d 1343, 1349

20 ² Nintendo presents a significant portion of the ‘303 Patent’s prosecution history in support of
21 their motion. *See* Dkt. # 106 (Parris Decl.); Dkt. # 123. The Court does not rely on any of the
22 presented materials other than documents expressly incorporated by reference in the ‘303 Patent,
such as certain other patents and therefore declines to take judicial notice of the ‘303 Patent’s
prosecution history.

23 ³ Numerous courts have considered patent subject matter eligibility questions at the pleadings
24 stage without having conducted claim construction. *See e.g., Personalized Media Commc’ns,*
25 *LLC v. Amazon.Com, Inc.*, No. 13-1608-RGA, 2015 WL 4730906, at *9 (D. Del. Aug. 10, 2015)
26 (finding that asserted patents claimed patent ineligible subject matter and granting motion for
27 judgment on the pleadings); *Morsa v. Facebook, Inc.*, 77 F. Supp. 3d 1007, 1016 (C.D. Cal. Dec.
28 23, 2014) (finding that claims were directed to patent-ineligible subject matter and granting
motion for judgment on the pleadings); *Cogent Med., Inc. v. Elsevier Inc.*, 70 F. Supp. 3d 1058,
1066 (N.D. Cal. 2014) (finding that claims were “invalid for failure to claim patentable subject
matter under § 101” and granting motion to dismiss); *but see OpenTV, Inc. v. Netflix Inc.*, F.
Supp. 3d 886, 891-92 (N.D. Cal. 2014).

1 (Fed. Cir. 2014) (citing *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 714 (Fed. Cir.
2 2014)). Indeed, the question of whether a patent claims ineligible subject matter is a
3 “threshold inquiry” of law. *In re Bilski* (“*Bilski I*”), 545 F.3d 943, 950 (Fed. Cir. 2008).
4 However, none of this is to say that claims construction is irrelevant to the issue as
5 whether a patent claims ineligible subject matter is “often dependent on the scope and
6 meaning of the claims.” *See Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d
7 1343, 1348 (Fed. Cir. 2015).

8 Recognicorp does not explain why claim construction is necessary to determine
9 whether the ‘303 Patent contains patent-eligible subject matter. *See* Dkt. # 118 at 12.
10 Accordingly, the Court finds that Nintendo’s Motion is not premature. *See Morales v.*
11 *Square, Inc.*, 75 F. Supp. 3d 716, 721-22 (W.D. Tex. 2014) (finding claims construction
12 unnecessary where plaintiff’s opposition did not identify any issues of fact or claim
13 construction requiring resolution to determine patent eligibility issues); *see also*
14 *Priceplay.com, Inc. v. AOL Advert., Inc.*, 83 F. Supp. 3d 577, 578 (D. Del. 2015).

15 Recognicorp also appears to argue that the Court should apply a “clear and
16 convincing” standard in determining the instant patent eligibility issues. *See* Dkt. # 113
17 at 2, 8. There is some question as to whether that standard applies to the Court’s § 101
18 analysis. *See Intellectual Ventures I LLC v. Symantec Corp.*, 100 F. Supp. 3d 371, 379-
19 80 (D. Del. 2015) (citing cases). “Eligibility questions mostly involve general historical
20 observations, the sorts of findings routinely made by courts deciding legal questions.”
21 *See Cal. Inst. of Tech. v. Hughes Commc’ns Inc.*, 59 F. Supp. 3d 974, 979 n.6 (C.D. Cal.
22 2014. Accordingly, this Court applies the “clear and convincing” standard to disputed
23 questions of fact – which the Parties do not raise.

24 **B. Patent Invalidation Under 35 U.S.C. § 101**

25 Section 101 of the Patent Act defines patent-eligible subject matter, providing that
26 “[w]hoever invents or discovers any new and useful process, machine, manufacture, or
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1 composition of matter, or any new and useful improvement thereof, may obtain a patent
2 therefor, subject to the conditions and requirements of this title.” 35 U.S.C. § 101.

3 The Supreme Court has, however, recognized that laws of nature, natural
4 phenomena, and abstract ideas are not patentable. *Alice Corp. v. CLS Bank Int’l*, 134 S.
5 Ct. 2347, 2354 (2014) (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*,
6 133 S. Ct. 2107, 2116 (2013)). The purpose of these exceptions is to protect the “basic
7 tools of scientific and technological work.” *Mayo Collaborative Servs. v. Prometheus*
8 *Labs., Inc.*, 132 S. Ct. 1289, 1293 (2012). Still, courts must “tread carefully in construing
9 this exclusionary principle lest it swallow all of patent law.” *Alice*, 134 S. Ct. at 2354.

10 In “distinguishing patents that claim laws of nature, natural phenomena, and
11 abstract ideas from those that claim patent-eligible applications of those concepts,” courts
12 apply a two-part test. *Alice*, 134 S. Ct. at 2355. Courts must first “determine whether the
13 claims at issue are directed to one of those patent-ineligible concepts.” *Id.* If so, then
14 courts must examine “[w]hat else is there in the claims before [them]” by considering
15 “the elements of each claim both individually and ‘as an ordered combination’ to
16 determine whether the additional elements ‘transform the nature of the claim’ into a
17 patent-eligible application.” *Id.* The Court has characterized this search as one
18 “‘inventive concept’ — *i.e.*, an element or combination of elements that is ‘sufficient to
19 ensure that the patent in practice amounts to significantly more than a patent upon the
20 [ineligible concept] itself.’” *Id.* (quoting *Mayo*, 132 S. Ct. at 1294).

21 **C. Whether the ‘303 Patent is Directed to A Patent Ineligible Concept**

22 The first step in the Court’s analysis is to “determine whether the claims at issue
23 are directed to one of those patent-ineligible concepts.” *Alice*, 134 S. Ct. at 2355. Some
24 courts have characterized the test as a “‘quick look’ test, the purpose of which is to
25 identify a risk of preemption and ineligibility.” *Enfish, LLC v. Microsoft Corp.*, 56 F.
26 Supp. 3d 1167, 1173 (C.D. Cal. 2014); *see also Open Text S.A. v. Box, Inc.*, 78 F. Supp.
27 3d 1043, 1046 (N.D. Cal. 2015) (in step one, “the Court distills the gist of the claim”).

1 Nintendo argues that the claims in the ‘303 Patent are directed to the non-
2 patentable concept of encoding images through a mathematical formula. *See* Dkt. # 105
3 at 13; Dkt. # 118 at 2. Recognicorp argues that the ‘303 Patent is instead “directed to an
4 improved system and method for creating, encoding, and reproducing images in a
5 computer network.” Dkt. # 113 at 9.

6 In essence, the steps claimed in the ‘303 Patent boil down to: (1) displaying
7 potential input variables (the facial features and their modifications), (2) selecting and
8 manipulating the inputs, (3) deriving an output code by performing a “multiplication
9 operation” on the inputs, and (4) outputting the original inputs on another device by
10 performing the sequence in reverse on another device. *See* Dkt. # 106-3 (Parris Decl.)
11 Ex. C at 1:23-41. In other words, the ‘303 Patent utilizes a “paint by numbers” approach
12 to creating, encoding, and decoding composite facial images. These steps are directed to
13 the abstract idea of encoding and decoding composite facial images using a mathematical
14 formula.^{4, 56}

15 As other courts have noted, encoding and decoding data is a “fundamental
16 concept” – in other words, an abstract idea. *See Cal. Inst. of Tech.*, 59 F. Supp. 3d at 993
17 (holding that claimed inventions were directed to abstract idea where their purpose was to
18 encode and decode data to achieve data correction); *cf. Veracode, Inc. v. Appthority, Inc.*,

19 ⁴ Recognicorp argues that the ‘303 Patent is directed to “a particularized method of encoding and
20 decoding data,” which it claims “is not an abstract idea.” That is not entirely correct. Merely
21 adding “a degree of particularity” does not affect the first step of the *Alice* inquiry. *See Mkt.*
Track, LLC v. Efficient Collaborative Retail Mktg., LLC, No. 14 C 4957, 2015 WL 3637740, at
*5 (N.D. Ill. June 11, 2015) (quoting *Ultramercial*, 772 F.3d at 715).

22 ⁵ Recognicorp further argues that under the *Alice* framework, it is improper to view patents at too
23 high a level of abstraction. That may be true, but the ‘303 Patent itself makes clear that its
24 claims are simply directed to the abstract idea of encoding composite facial image data. In fact,
25 the ‘303 Patent explicitly states that “[t]he invention provides a novel method and apparatus for
encoding images.” Dkt. # 106-1 (Parris Decl.) Ex. A at 2:17-18. There could hardly be a clearer
statement of its purpose.

26 ⁶ In this way, *Timeplay, Inc. v. Audience Entm’t LLC*, CV 15-05202 SJO (JCx) (C.D. Cal. Nov.
27 10, 2015), supplied by Recognicorp as supplemental authority, is easily distinguishable. The
28 Court there found that the patent was directed at the highly unusual “idea of multi-player gaming
using a hand-held controller that has a display screen where the players are also in front of a
shared display.” *See* Dkt. # 128-2 Ex. B.

1 No. CV 12-10487-DPW, 2015 WL 5749435, at *13 (D. Mass. Sept. 30, 2015); *Fid. Nat'l*
2 *Info. Servs., Inc. v. DataTreasury Corp.*, CBM2014-00021, 2015 WL 1967328, at *7-8
3 (P.T.A.B. Apr. 29, 2015) (“Encryption, in general, represents a basic building block of
4 human ingenuity that has been used for hundreds, if not thousands, of years.”).
5 Moreover, as Nintendo correctly notes, encoding information has countless pre-computer
6 applications. *See* Dkt. # 118 at 3. The ‘303 Patent contemplates as much, describing
7 several “encoding schemes” which pre-existed the one described in the Patent, including
8 “‘bitmap’, ‘gif’ or ‘jpeg.’” *See* Dkt. # 106-1 (Parris Decl.) Ex. A at 1:65-67.

9 That the ‘303 Patent encodes images through a mathematical algorithm does not
10 make its claims any less directed to an abstract idea. If anything, the Supreme Court has
11 made “clear that ‘a scientific truth, or the mathematical expression of it, is not a
12 patentable invention.’” *Enfish*, 56 F. Supp. 3d at 1171 (quoting *Gottschalk v. Benson*,
13 409 U.S. 63, 67 (1972)). Indeed, “the Supreme Court has heavily scrutinized algorithms
14 and mathematical formulas under § 101.” *Id.* (citing *Parker v. Flook*, 437 U.S. 584, 594-
15 95 (1978); *Benson*, 409 U.S. at 71-72).

16 Courts have also held that processes that can be performed entirely in the human
17 mind or with pen and paper are not patentable. *CyberSource Corp. v. Retail Decisions,*
18 *Inc.*, 654 F.3d 1366, 1373 (Fed. Cir. 2011) (“such a method that can be performed by
19 human thought alone is merely an abstract idea and is not patent-eligible under § 101”).
20 Even without construing the claims to determine the precise parameters of the encoding
21 scheme, the Court notes that the specific image encoding process likely can be performed
22 entirely within the human mind or with pen and paper. So long as the individual is
23 provided the specific input variables – here, the facial feature element codes and code
24 factors – she can apply the “multiplication operation” on the facial code until she can
25 derive a composite image code. When another individual is provided this same
26 composite facial image code, he could perform the multiplication operation backward to
27 derive the same composite image.

1 To be sure, where a claim provides a solution “necessarily rooted in computer
2 technology in order to overcome a problem specifically arising in the realm of computer
3 networks,” it may still be eligible for patent protection. *See DDR Holdings, LLC v.*
4 *Hotels.com*, 773 F.3d 1245, 1257 (Fed. Cir. 2014). “In determining whether technology
5 created the relevant problem, courts look to whether the claims at issue override some
6 conventional sequence of events taking place within a particular technological
7 environment.” *Source Search Techs., LLC v. Kayak Software Corp.*, No. CIV.A. 11-
8 3388 JEI, 2015 WL 3980628, at *7 (D.N.J. July 1, 2015) (citing *Messaging Gateway*
9 *Sols., LLC v. Amdocs, Inc.*, No. 14-732-RGA, 2015 WL 1744343 (D. Del. Apr. 15,
10 2015)). But even if a claim is limited to a particular technological environment, that
11 would not necessarily save the claim. *See CertusView Techs., LLC v. S&N Locating*
12 *Servs., LLC*, No. 2:13CV346, 2015 WL 269427, at *17 (E.D. Va. Jan. 21, 2015) (finding
13 that claims were directed to the abstract idea of creating computer readable file to store
14 information, as applied to the particular technological environment of locate operations).

15 But the ‘303 Patent does not overcome such a problem. Rather, its claims merely
16 require reproducing the image on a different device (*see* Dkt. # 106-1 (Parris Decl.) Ex. A
17 at 12:46-47 (Claim 2)) or generically “transmitting” the image code (*see id.* at 13:3-4
18 (Claim 11)). Transmission may be completed “either verbally or through electronic
19 communication means.” *See id.* at 11:58-65 (also providing that the “data transmission
20 medium” can be through “any other communication medium suitable for the transfer of
21 data”). Moreover, the claims explicitly provide that input of the facial code may be done
22 manually. *See id.* at 13:14-17 (Claim 15); *see also id.* at 10:55-56; *see also Affinity Labs*
23 *of Texas, LLC v. Amazon.Com, Inc.*, No. 6:15-CV-0029-WSS-JCM, 2015 WL 3757497,
24 at *11 (W.D. Tex. June 12, 2015) (finding a user interface to be a generic computer
25 component). In other words, the ‘303 Patent does not solve a problem created by or
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1 specifically arising in a particular technological environment⁷ as it can be applied to
2 many technological environments.

3 **D. Whether the ‘303 Patent Contains an “Inventive Concept”**

4 Having determined that the ‘303 Patent’s claims are “directed to” an abstract idea,
5 the Court must next determine if its claims are nevertheless patentable because they
6 contain an “inventive concept” sufficient to “transform the claimed abstract idea into a
7 patent-eligible application.” *Alice*, 134 S. Ct. at 2357. To do so, courts are instructed to
8 consider the elements of the claims – both individually and in an ordered combination –
9 to assess whether the elements transform the nature of the claims into a patent-eligible
10 inventive concept. *See Content Extraction*, 776 F.3d at 1347.

11 The Court must disregard “‘well-understood, routine, conventional activit[ies]’
12 previously known to the industry” at this step of the analysis. *See Alice*, 134 S. Ct. at
13 2359 (quoting *Mayo*, 132 S. Ct. at 1299) (alterations in original). “A conventional
14 element may be one that is ubiquitous in the field, insignificant or obvious.” *Enfish*, 56
15 F. Supp. 2d at 1175 (citing *Mayo*, 132 S. Ct. at 1298). Such a “conventional element may
16 also be a necessary step, which a person or device must perform in order to implement
17 the abstract idea.” *Id.* Although “conventional elements and prior art may overlap,”
18 “conventional elements do not constitute everything in prior art.” *Id.*

19 The Court finds that there is no such inventive concept in the claims, whether
20 considered individually or as an ordered combination.

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22 ⁷ Indeed, for this reason, *Finjan, Inc. v. Blue Coat Sys.*, No. 13-CV-03999-BLF, 2015 WL
23 7351450 (N.D. Cal. Nov. 20, 2015), which *Recognicorp* provides as supplemental authority, is
24 easily distinguishable. The invention in that case was plainly limited to the specific
technological environment of electronic communication. *See id.* at *10. No such limitation
exists for the ‘303 Patent.

25 *Recognicorp*’s other supplemental case, *Mobile Telecommunications Techs., LLC v. Leap*
26 *Wireless Int’l, Inc.*, No. 2:13-CV-885-RSP, 2015 WL 5604691 (E.D. Tex. Sept. 23, 2015), is
27 easily distinguishable. In that case, the patent was clearly not directed at an abstract idea as it
28 had to deal with a very specific technological environment. *See id.* at *5. Moreover, unlike in
this case, the mathematical algorithm employed by the challenged patent was merely a small part
of the claimed method, whereas it consumes nearly the entire claim in this case. *See id.* at *3.

1 As an initial matter, a “basic mathematical equation, like a law of nature, [is] not
2 patentable.” *Mayo*, 132 S. Ct. at 1298; *see Bilski v. Kappos* (“*Bilski II*”), 561 U.S. 593,
3 611 (2010). Thus, the step of deriving a composite image code by performing at least
4 one “multiplication operation” claimed in each of the ‘303 Patent’s independent claims
5 cannot, standing alone, be an “inventive concept.”

6 Furthermore, there is little doubt that the claimed steps for generating a composite
7 facial image – namely selecting, manipulating, and incorporating facial features into a
8 composite image – are purely conventional. Although not dispositive (*but see McRO,*
9 *Inc. v. Sony Comput. Entm’t Am., LLC*, 55 F. Supp. 3d 1214, 1225 (C.D. Cal. 2014)), the
10 ‘303 Patent’s specification itself discloses that these very methods for creating composite
11 facial images were well established in the prior art. *See* Dkt. # 106-1 (Parris Decl.) Ex. A
12 at 1:36-56. This alone is at least suggestive that the ‘303 Patent claim elements which
13 focus on the steps for creation and manipulation of the composite facial image are
14 conventional.

15 The other claimed steps are also obvious in the field. Generating a composite
16 facial image necessarily requires a degree of customization based on manipulating the
17 essential elements of a face. Those essential elements would be individual facial
18 features. And, as the ‘303 Patent itself acknowledges, common techniques for creating
19 composite facial images involved dividing the image of a face into constituent features
20 and then selecting and combining features to create the image from a given library of
21 features. *See generally*, Dkt. # 106-1 (Parris Decl.) Ex. A at 1:35-2:13. There is little to
22 separate this from a typical data-gathering step. And it is well established that “adding a
23 data-gathering step to an algorithm is insufficient to convert that algorithm into a patent-
24 eligible process.” *Bilski I*, 545 F.3d at 963 (citing *In re Grams*, 888 F.2d 835, 840 (Fed.
25 Cir. 1989)). Finally, the step of reproducing a previously generated facial image is
26 obvious as well – why create a customized face if not to recreate it?

1 Recognicorp argues that the claims in the ‘303 Patent contain inventive concepts
2 by including the concept that composite images are composed of separate facial feature
3 images associated with facial feature element codes, which resulted in smaller code. *See*
4 Dkt. # 113 at 15. Furthermore, Recognicorp argues that the encoding scheme and
5 algorithm provide the “inventive concept” needed to render the claims patent-eligible.
6 *See* Dkt. # 113 at 15.

7 Neither argument carries the day. As the ‘303 Patent itself acknowledges,
8 constructing composite images based on selected individual features was well known in
9 the art. *See* Dkt. # 106-1 (Parris Decl.) Ex. A at 1:36-56; *see also* Dkt. # 123-3 (Parris
10 Decl.) Ex. I. And the encoding algorithm, standing by itself, cannot constitute an
11 inventive concept. *See Diamond v. Diehr*, 450 U.S. 175, 204 (1981) (“the algorithm is
12 treated for § 101 purposes as though it were a familiar part of the prior art”). The ‘303
13 Patent’s claimed methods and systems do not improve the function of a computer nor do
14 they improve upon methods of creating composite images. The innovation claimed by
15 the ‘303 Patent is merely a more efficient manner of encoding composite facial image
16 data by using a generic computer. As numerous courts have held, that is not enough,
17 particularly when a human could perform the same steps, albeit at a slower pace. *See*
18 *Source Search Techs., LLC v. Kayak Software Corp.*, No. CIV.A. 11-3388 JEI, 2015 WL
19 3980628, at *7 (D.N.J. July 1, 2015) (citing *Jericho Sys. Corp. v. Axiomatics, Inc.*, No.
20 3:14-CV-2281-K, 2015 WL 2165931, at *5-6 (N.D.Tex. May 7, 2015)).

21 Recognicorp further argues that each of the dependent claims has inventive
22 concepts, such as of transmitting the composite facial image code. *See* Dkt. # 113 at 16.
23 But the only discussed dependent claim, “transmitting,” is as generic or traditional a
24 computing function as there is. *See BuySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355
25 (Fed. Cir. 2014) (“The computer functionality is generic . . . a computer *receives* a
26 request for a guarantee and *transmits* an offer of guarantee in return.”; “That a computer
27 receives and sends the information over a network—with no further specification—is not

1 even arguably inventive.”); *Cloud Satchel, LLC v. Amazon.com, Inc.*, 76 F. Supp. 3d 553,
2 564 (D. Del. 2014); *Joao Bock Transaction Sys., LLC v. Jack Henry & Assocs., Inc.*, 76
3 F. Supp. 3d 513, 523 (D. Del. 2014) (citing *In re Katz*, 639 F.3d 1303, 1316 (Fed. Cir.
4 2011)).

5 A few additional claim elements that Recognicorp points to bear special mention.
6 Recognicorp argues that the creation of the composite image is not conventional because
7 it relies on specialized programming and a database of images. But maintaining a library
8 of relevant information is not inventive. See *Cogent Med., Inc.*, 70 F. Supp. 3d at 1063-
9 64. And its inclusion as a necessary part of the claimed steps is obvious, given that the
10 facial feature images must come from somewhere. Nor is the composite facial feature
11 creation process so intertwined with the creation of the composite facial image code as to
12 render the process patentable – the selection and manipulation of the facial feature
13 images is simply a means of selecting the relevant inputs for creating the composite facial
14 image code.

15 The Court concludes that the entirety of the ‘303 Patent consists of the encoding
16 algorithm itself or “[p]urely ‘conventional or obvious’ ‘[pre]-solution activity’” and post-
17 solution activity insufficient to transform the unpatentable abstract idea “into a patent-
18 eligible application.” *Mayo*, 132 S. Ct. at 1298 (quoting *Flook*, 437 U.S. at 590). As
19 such, the Court finds that the ‘303 Patent fails both prongs of the *Alice* test.

20 E. The “Machine or Transformation” Test

21 Alternatively, the “Machine or Transformation” serves a “useful and important
22 clue” in determining subject matter eligibility. *Bilski II*, 561 U.S. at 604. Under this test,
23 a method claim may be patentable if “(1) it is tied to a particular machine or apparatus or
24 (2) it transforms a particular article into a different state or thing.” *Id.* at 602. A system
25 claim that corresponds to or is in substance identical to a method claim that fails the test
26 is similarly not patentable. *Alice*, 134 S. Ct. at 2360.

1 Recognicorp does not argue that the ‘303 Patent’s claims satisfy the “machine”
2 prong of the “Machine or Transformation” test. Instead, Recognicorp argues that the
3 claims satisfy the “transformation” prong because the claims involve the creation of the
4 composite image code and its recreation on another display. *See* Dkt. # 113 at 22. But as
5 courts have repeatedly held, “[t]he mere manipulation or reorganization of data . . . does
6 not satisfy the transformation prong.” *Cybersource*, 654 F.3d at 1375.

7 *Bilski I*, cited by Recognicorp, does not change this Court’s analysis. In *Bilski I*,
8 the court found that a claim was drawn to patent-eligible subject matter where the
9 manipulated “data [was] X-ray attenuation data produced” by a scanner. *Bilski I*, 545
10 F.3d at 962. Because the data “clearly represented physical and tangible objects, namely
11 the structure of bones, organs, and other body tissues,” the court explained it was directed
12 to patent-eligible subject matter. *Id.* at 963. In other words, pursuant to *Bilski I*, the data
13 manipulated must transform either a “physical object or substance, or an electronic signal
14 representative of any physical object or substance.” *Id.* at 964. The data here obviously
15 does not transform any physical object or substance nor does it transform an electronic
16 signal representative of such an object or substance. In short, the “transformation”
17 described in the ‘303 Patent does no more than simply manipulate existing data using a
18 mathematical formula, which is not enough. *See Digitech Image Techs., LLC v. Elecs.*
19 *For Imaging, Inc.*, 758 F.3d 1344, 1351 (Fed. Cir. 2014).

20 **F. Recognicorp’s Preemption Arguments Do Not Save The ‘303 Patent**

21 Finally, Recognicorp argues that the ‘303 Patent is limited to a particular
22 application and therefore avoids preemption. *See* Dkt. # 113 at 20. But the Supreme
23 Court has explained that “the prohibition against patenting abstract ideas cannot be
24 circumvented by attempting to limit the use of [the idea] to a particular technological
25 environment.” *Alice*, 134 S. Ct. at 2358 (quoting *Bilski II*, 561 U.S. 610-11)) (alterations
26 in original).

