

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of

**CERTAIN ACTIVITY TRACKING
DEVICES, SYSTEMS, AND
COMPONENTS THEREOF**

Inv. No. 337-TA-963

**ORDER NO. 54: INITIAL DETERMINATION GRANTING RESPONDENTS'
MOTION FOR SUMMARY DETERMINATION THAT THE '413
AND '707 PATENTS ARE DIRECTED TO INELIGIBLE SUBJECT
MATTER**

(April 27, 2016)

I. INTRODUCTION

A. Procedural Summary

On March 16, 2016, Respondents Fitbit, Inc. ("Fitbit"), Flextronics International Ltd. and Flextronics Sales & Marketing (A-P) Ltd. (Flextronics") (collectively, "Fitbit") filed a motion for summary determination that U.S. Patent Nos. 8,961,413 (the "'413 patent") and 8,073,707 (the "'707 patent") are directed to ineligible subject matter under 35 U.S.C. § 101 (the "motion"). Motion Docket No. 963-047.¹ On March 23, 2016, Complainants AliphCom d/b/a/ Jawbone and BodyMedia, Inc. (collectively, "Jawbone") filed their opposition. On the same date, Commission Investigative Staff ("Staff") filed its response. On March 28, 2016, Fitbit filed a reply brief.

In a related development, on April 4, 2016, the Commission reviewed and affirmed with modification Order No. 40, which terminated U.S. Patent Nos. 8,398,546 (the "'546 patent") and 8,446,275 (the "'275 patent") from this Investigation. Notice of Commission Determination (1)

¹ On March 11, 2016, Fitbit filed an unopposed motion for leave to file its summary determination motions out of time, which was granted pursuant to Order No. 43.

to Review an Initial Determination Granting Respondents’ Motion for Summary Determination that Certain Asserted Claims are Directed to Ineligible Subject Matter Under 35 U.S.C. § 101; and (2) on Review to Affirm the Initial Determination with Modification, Inv. No. 337-TA-963 (Apr. 4, 2016) (“Notice”) at 2.²

B. Introduction and Overview

The patents subject to the instant motion and the ‘546 patent, which was found to be ineligible in Order No. 40, are in the same patent family and claim priority as direct or indirect continuations or continuations in parts to U.S. Patent No. 7,689,437.³ The ‘413 patent covers sleep monitoring, as opposed to weight monitoring, the subject of the ‘546 patent.⁴ The ‘707 patent adds an output step to the generic version of the computerized system using sensors for monitoring health and wellness data that is described in the other patents. Identical portions of the specification of the ‘707 and ‘413 patents describe this system. *See* ‘707 patent at 4:20-20:55; ‘413 patent at 4:14-20:54.

The claims of the ‘413 and ‘707 patents seek a monopoly on the abstract ideas of collecting and monitoring sleep and other health-related data, and are therefore ineligible under section 101. No innovative concept is claimed in either patent. Specifically with respect to systems for organizing human activity, the courts have determined that a patent is not eligible

² In reviewing Order No. 40, the Commission recognized that “the law remains unsettled as to whether the presumption of patent validity under 35 U.S.C. § 282 applies to subject matter eligibility challenges under 35 U.S.C. § 101.” Notice at 2. In other respects, Order No. 40 was affirmed.

³ Although not genealogically related to the ‘707, ‘413, and ‘546 patents, the subject matter disclosed and claimed by the ‘275 patent, which was also found ineligible in Order No. 40, is closely related to that of the other patents.

⁴ The ‘707 patent is attached to the motion as Exhibit 1; the ‘413 patent was later attached as Corrected Exhibit 2.

when it claims the use of computer technology to accomplish tasks that were in the past performed by human beings. *See Alice*, 134 S. Ct. at 2356. “[M]ethods which can be performed mentally, or which are the equivalent of human mental work, are unpatentable abstract ideas” *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1371 (Fed. Cir. 2011). Granting a patent on an abstract idea would improperly tie up the “building blocks of human ingenuity.” *Alice*, 134 S. Ct. at 2354 (citing *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 132 S. Ct. 1289, 1301 (2012) (citing *O’Reilly v. Morse*, 15 How. 62, 113 (1954))).

C. Background

1. ‘413 patent

The ‘413 patent is entitled “Wireless Communications Device and Personal Monitor.” ‘413 Patent at Cover. Jawbone asserts claims 1, 2, 3, 9, 11 and 12 of the ‘413 patent.⁵

Asserted claim 1 of the ‘413 patent is an independent claim from which the other asserted claims depend. It states:

1. A system for monitoring and reporting a human status parameter of an individual, said system comprising:
 - a. a sole, unitary housing configured to be removably mounted on said individual’s body;
 - b. a first physiological sensor which automatically generates a first electronic sensor signal representative of a first physiological parameter of said individual, said sensor mounted within said housing;
 - c. a second sensor, mounted within said housing, which automatically generates a second electronic sensor signal representative of at least one of a contextual and a second physiological parameter of said individual;
 - d. a processing unit, mounted within said housing and in electronic communication with said sensors to receive said first and second electronic output signal representative of said individual’s sleep-related analytical status data from at least one of said first and second electronic

⁵ Claims 5, 7, and 8 of the ‘413 patent were withdrawn. *See* Order No. 32; Order No. 53.

sensor signals, wherein the sleep-related analytical status data includes sleep onset and wake information that is derived from the at least one of said first and second electronic sensor signals; and

e. a transceiver unit, mounted within said housing and in electronic communication with said processing unit which receives said electronic output signal from said processing unit, said transceiver unit generating an electronic transmission output signal for reception by another device.

'413 patent at 26:17-45.

The '413 patent describes the invention as “a wireless communications device, such as a cellular telephone, having sensors to generate data indicative of a physiological or contextual parameters [sic] of a user.” *Id.* at Abstract. “A processor on the wireless communications device is adapted [to] derive physiological state information of the user from the contextual or physiological parameters. The apparatus may include a central monitoring unit remote from the sensors for storing data and transmitting data to a recipient.” *Id.* As noted above, the system for collecting and manipulating data is described identically in the specifications of both the '413 and '707 patents. The drawings that illustrate the system also are the same in both patents. *See* '413 patent, '707 patent, Figs. 1-11. Additional figures in the '413 patent show various aspects of the sensor device. *Id.* at 3:61-4:12.

The '413 patent describes several alternative embodiments. One alternative embodiment discloses “a housing adapted to be worn on the individual’s body, wherein the housing supports the sensors or wherein at least one of the sensors is separately located from the housing.” *Id.* at 2:40-44. The apparatus, the patent states, may include a central monitoring unit remote from the sensors that includes a data storage device which “receives the derived data from the processor and retrievably stores the derived data therein.” *Id.* at 2:52-56. The apparatus includes means for transmitting the information to a recipient or third party. *Id.* at 2:56-60. Other adaptations of

the apparatus may collect data on the individual's life activities, provide feedback to a recipient, and make suggestions for modifying the individual's behavior. *Id.* at 2:64-3:12.

The '413 patent says the processor "may be a microprocessor, a microcontroller, or any other processing device that can be adapted to perform the functionality described herein." *Id.* at 24:1-4. The patent describes how the generic microprocessor functions in combination with other generic components, such as accelerometers, amplifiers, receivers, antennae, transceivers, vibrating motors, heart rate monitors, drivers, switches, rechargeable batteries and flash memory. *Id.* at 24:4-25:40.

2. The '707 patent

Jawbone asserts claims 23 and 24 of the '707 patent.⁶ Each of those claims incorporates the system of claim 1. Claim 1 is an independent claim from which the other claims in the patent depend. Claim 1 states:

A system for detecting, monitoring, and reporting a status of an individual to a user, the system comprising:

a first sensor adapted to generate data indicative of a first physiological parameter of the individual if said first sensor is in proximity to the individual;

a second sensor adapted to generate data indicative of a second physiological parameter of the individual if said second sensor is in proximity to the individual;

a processing unit in electronic communication with said first sensor and said second sensor;

a central monitoring unit in electronic communication with at least one of said sensors and said processing unit; and

an output device in electronic communication with at least one of said processing unit and said central monitoring unit, wherein at least

⁶ Claim 19 of the '707 patent was withdrawn from the Investigation. *See* Order No. 53.

one of said processing unit and said central monitoring unit is programmed

(a) to generate at least one of a derived physiological status parameter of the individual and a derived parameter related to an activity in which the individual has engaged said derived parameters based on both of said data indicative of said first physiological parameter of the individual and (ii) said data indicative of said second physiological parameter of the individual, and

(b) to cause said output device to present to a user indicators of at least one of said derived parameters of the individual in relation to indicators of a least one of said derived parameters of the individual in relation to indicators of at least one of (i) said data indicative of said first physiological parameter of the individual, and (ii) said data indicative of said second physiological parameter of the individual.

'707 patent at 21:1-31.

The '707 patent discloses a system "for monitoring health, wellness and fitness" and making data from the system available to the individual, "preferably over an electronic network." *Id.* at 1:15-16, 20-21. The system's parts are a sensor device, a central monitoring unit ("CMU"), means for establishing electronic communication between the sensor device and the CMU, and means for transmitting the data to a recipient, such as the individual user. *Id.* at 1:59-2:17. "The central monitoring unit may be adapted to generate one or more web pages containing the data indicative of one or more physiological parameters, the derived data, and/or the analytical status data," which may be communicated electronically or by physical means. *Id.* at 2:43-52. The system "may also obtain life activities data" and "contextual parameters of the individual," and disclose "the degree to which an individual has followed a suggested routine." *Id.* at 2:43-54, 56-57, 61-62. "The suggested routine may include a plurality of categories, wherein the feedback is generated and provided with respect to each of the categories. Examples of the categories include nutrition, activity level, mind centering, sleep, and daily activities." *Id.* at 3:33-38.

The patent states that “[m]ethods for generating data indicative of various physiological parameters and sensors to be used therefor are well known.” *Id.* at 4:60-63. The patent recites that the microprocessor is programmed to derive information using “known methods.” *Id.* at 6:43-47. Any form of processor may be used, “such as a microcontroller, or any other device that can be programmed to perform the functionality described herein.” *Id.* at 7:55-57.

The data collected can be stored in memory and uploaded “in various ways,” *Id.* at 8:34-35, to a personal computer “or any computing device that has access to and that can transmit and receive data through the electronic network.” *Id.* at 8:54-57. Once the data is received, “it is optionally compressed and encrypted by any one of a variety of well known methods and then sent out over a local or global electronic network, preferably the Internet,” to the CMU or to a wireless device. *Id.* at 8:50-54, 8:60-62.

The electronic components of the system are off-the-shelf items available for purchase, such as “the F5 ServerIron product sold by Foundry Networks, Inc. of San Jose, Calif.,” *id.* at 10:61-65; a storage area network device such as “the Symmetrix load balancer sold by EMC Corporation of Hopkinton, Mass,” *id.* at 11:3-10; a software server component such as “the 8/8i component sold by Oracle Corporation of Redwood City, Calif., or the 506.7 component sold by Microsoft Corporation of Redmond, Wash.,” *id.* at 11:15-20; and middleware servers such as the “22OR Dual processor sold by Sun Microsystems, Inc., of Palo Alto, Calif.,” *id.* at 11:27-31. The patent specifies other aspects of the system, none of which is identified as an advance over existing technology. *See, e.g., id.* at 12:59-60 (referring to “part of a write-through cache system which is well known in the art”); *id.* at 13:3-5 (“The chosen middleware server authenticates the user using any one of many well known methods.”).

The specification describes the system for collecting, tracking, and communicating a multitude of data points about an individual. Thus:

The specific information to be surveyed may include: key individual temperamental characteristics, including activity level, regularity of eating, sleeping, and bowel habits; initial response to situations, adaptability, persistence, threshold of responsiveness, intensity of reaction, and quality of mood; the user's level of independent functioning, i.e., self-organization and management, socialization, memory, and academic achievement skills; the user's level of arousal, cognitive tempo, ability to filter distractions, vigilance, and self-monitoring; the user's current health status including current weight, height, and blood pressure, most recent general physician visit, gynecological exam, and other applicable physician/healthcare contacts, current medications and supplements, allergies, and a review of current symptoms and/or health-related behaviors; the user's past health history, i.e., illnesses/surgeries, family history, and social stress events, such as divorce or loss of a job, that have required adjustment by the individual; the user's beliefs, values and opinions about health priorities, their ability to alter their behavior and, what might contribute to stress in their life, and how they manage it; the user's degrees of self-awareness, empathy, empowerment, and self-esteem, and the user's current daily routines for eating, sleeping, exercise, relaxation and completing activities of daily living; and the user's perception of the temperamental characteristics of two key persons in their life, for example, their spouse, a friend, a co-worker, or their boss, and whether there are clashes present in their relationships that might interfere with a healthy lifestyle or contribute to stress.

Id. at 14:3-33.

The system includes various web pages, which are described in the specification: the Health Manager web page is the “main workspace.” The Health Manager web page provides data about the user. *See Id.* at 14:37-47. This “analytical status data” is converted “by the application of certain utilities or algorithms” into “calculated health, wellness and lifestyle indicators.” *Id.* at 14:47-54. Targets are set and feedback is given to the user on various web pages based on the data the user puts into the system and the data collected by the sensors. *Id.* at 15:26-20:55.

II. DISCUSSION

A. The Issue Is Ripe for Summary Determination.

Commission Rule 210.18 governing summary determination states, in part:

The determination sought by the moving party shall be rendered if pleadings and any depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a summary determination as a matter of law.

19 C.F.R. § 210.18(b).

By analogy to Fed. R. Civ. P. 56 (a), in deciding whether to grant summary determination, the evidence “must be viewed in the light most favorable to the party opposing the motion ...with doubts resolved in favor of the nonmovant.” *Crown Operations Int’l, Ltd. v. Solutia, Inc.*, 289 F.3d 1367, 1375 (Fed. Cir. 2002) (citations omitted); *see also Xerox Corp. v. 3Com Corp.*, 267 F.3d 1361, 1364 (Fed. Cir. 2001) (“When ruling on a motion for summary judgment, all of the nonmovant’s evidence is to be credited, and all justifiable inferences are to be drawn in the nonmovant’s favor.”). The trier of fact should “assure itself that there is no reasonable version of the facts, on the summary judgment record, whereby the nonmovant could prevail, recognizing that the purpose of summary judgment is not to deprive a litigant of a fair hearing, but to avoid an unnecessary trial.” *EMI Group N. Am., Inc. v. Intel Corp.*, 157 F.3d 887, 891 (Fed. Cir. 1998) (citations omitted). “In other words, ‘[s]ummary judgment is authorized when it is quite clear what the truth is,’ and the law requires judgment in favor of the movant based upon facts not in genuine dispute.” *Paragon Podiatry Lab., Inc. v. KLM Labs., Inc.*, 984 F.2d 1182, 1185 (Fed. Cir. 1993) (citations omitted).

Jawbone asserts that summary determination is inappropriate because there is a dispute between the parties’ experts as to whether the claims of the ‘413 and ‘707 patents include a technologically innovative concept, but unsupported experts’ opinions do not create facts

sufficient to withstand a motion under Rule 56.⁷ Patent eligibility under 35 U.S.C. § 101 is a question of law. *Genetic Technologies Ltd. v. Merial L.L.C.*, Nos. 2015-1202, 2015-1203, 2016 WL 1393573, at *3 (Fed. Cir. Apr. 8, 2016); *see Mortgage Grader, Inc. v. First Choice Loan Servs., Inc.*, No. 2015-1415, 2016 WL 362415 at *8 (Fed. Cir. Jan. 20, 2016) (affirming summary judgment under section 101 where the district court relied solely on the claims and specification.) Ineligibility in *Alice*, for example, was decided on a motion for summary judgment. *See* 134 S. Ct. at 2353. Given the absence of any genuinely disputed issue of material fact, this matter is suitable for summary determination.

B. Burden of Proof

“[T]he law remains unsettled as to whether the presumption of patent validity under 35 U.S.C. § 282 applies to subject matter eligibility challenges under 35 U.S.C. § 101.” Notice at 2. In its Notice, the Commission held that: “Regardless of whether or not such a presumption applies, the record here warrants a finding that the asserted patent claims are directed to ineligible subject matter.” *Id.* The same is true with regard to the instant motion – even under a clear and convincing burden of proof, the patents in issue claim ineligible subject matter.⁸

⁷ In this case Jawbone’s expert, Dr. Rhyne, presents no facts in support of his bare opinion echoing the arguments of Jawbone’s counsel. *See* Opp. Ex. D. “A party cannot create a genuine issue of fact merely by presenting an expert witness who is willing to express an unsupported opinion that favors the party’s position.” *Porter v. Whitehall Laboratories, Inc.*, 791 F. Supp. 1335, 1347 (S.D. Ind. 1992) (citing *Merit Motors, Inc. v. Chrysler Corp.*, 569 F.2d 666, 673 (D.C. Cir. 1977). “Without factual support, opinions are no more probative than the conclusory allegations of a party’s pleading.” *Id.* (citing *Evers v. General Motors Corp.*, 770 F.2d 984, 986 (11th Cir. 1985)).

⁸ For the reasons discussed below, I do not agree with Staff that the eligibility of the ‘413 patent is a close question. Under even the most generous view of the law, it is clear that the patent is ineligible.

C. Section 101 – Ineligible Subject Matter

Section 101 of the Patent Act sets forth four categories of patentable inventions, stating: “Whoever 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 therefore, subject to the conditions and requirements of this title.” 35 U.S.C. §101. *Intellectual Ventures*, 792 F.3d at 1366. The Supreme Court has recognized three exceptions to section 101, holding ineligible for patenting “[l]aws of nature, physical phenomena, and abstract ideas.” *Ultramercial*, 772 F.3d at 714 (quoting *Alice*, 134 S. Ct. at 2354). “Patents that merely claim well-established, fundamental concepts fall within the category of abstract ideas.” *Cyberfone Sys., LLC v. CNN Interactive Grp., Inc.*, 558 Fed. Appx. 988, 991 (Fed. Cir. 2014) (citing *Bilski v. Kappos*, 561 U.S. 593, 611-12 (2010)).

An invention, however, “is not rendered ineligible for patent simply because it involves an abstract concept.” *Alice*, 134 S. Ct. at 2354 (citing *Diehr*, 450 U.S. at 187). The courts have recognized that “[a]t some level, all inventions . . . embody, use reflect, rest upon, or apply laws of nature, natural phenomena or abstract ideas.” *Ultramercial*, 772 F.3d at 715 (quoting *Alice*, 134 S. Ct. at 2354) (quoting *Mayo*, 132 S. Ct. at 1293).

To identify claims that are ineligible, the Supreme Court has articulated a two-step test. *Genetic Technologies*, 2016 WL 1393573 at *4. In the first step, the court must decide whether a patent is drawn to an abstract idea. *Id.* (citing *Alice*, 134 S. Ct. at 2355) (citing *Mayo*, 132 S. Ct. at 1296-97). If the patent claims an abstract idea, the court in the second step seeks to identify an “inventive concept” sufficient to “transform” the claimed abstract idea into patent-eligible subject matter.” *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 132 S. Ct. at 1294, 1298). The claim limitations must disclose additional features indicating more than “well-understood, routine, conventional activity.” *Mayo*, 132 S. Ct. at 1292. The limitations must “narrow, confine, or

otherwise tie down the claim so that, in practical terms, it does not cover the full abstract idea itself.” *Cyberfone*, 558 Fed. Appx. at 992 (quoting *Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1341 (Fed. Cir. 2013), *cert. denied*, 134 S. Ct. 2871 (Jun. 30, 2014)).

Configuring a standard, computerized system to implement an abstract idea does not make the configuration patent-eligible. Manipulation of abstractions on a computer “cannot meet the test because they are not physical objects or substances, and they are not representative of physical objects or substances.” *Ultramercial*, 772 F.3d at 717 (quoting *Bilski*, 545 F.3d at 963); *see also Bancorp Services, LLC v. Sun Life Assur. Co. of Can.*, 687 F.3d 1266, 1278 (Fed. Cir. 2012), *cert. denied*, 134 S. Ct. 2870 (2014) (“[A]dding a ‘computer aided’ limitation to a claim covering an abstract concept, without more, is insufficient to render the claim patent eligible.”) (quoting *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333 (Fed. Cir. 2012)). The use of sensors does not render such a system patent-eligible. “[M]onitoring, recording, and inputting information represent insignificant “data-gathering steps,” and “thus add nothing of practical significance to the underlying abstract idea.” *Wireless Media*, 100 F. Supp.3d at 416 (quoting *CyberSource*, 654 F.3d at 1370); *see also OIP Technologies, Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1364 (Fed. Cir. 2015), *cert. denied*, 136 S. Ct. 701 (Dec. 14, 2015) (invalidating patent implementing the abstract idea of price optimization on a generic computer).

D. The Patents at Issue Seek Protection of an Abstract Idea.

1. The ‘413 patent

Step One: Claim 1 of the ‘413 patent describes steps and means for collecting and recording information about an individual’s sleep status using conventional electronic components housed in a wearable device. Utilizing conventional electronic devices to obtain and manipulate sleep-related data of an individual is an abstract idea bereft of any innovative

technological concept and, as such, cannot be monopolized by Jawbone. This type of information can be and has been collected and recorded by human minds and hands. “The abstract-idea exception precludes patents that ‘would pre-empt use of [a particular] approach in all fields, and would effectively grant a monopoly over an abstract idea.’” *Wireless Media*, 100 F. Supp.3d at 412 (citing *Bilski*, 561 U.S. at 611-12). The ‘413 patent, like other “methods of organizing human activity” that collect and manipulate data using a general-purpose computer, discloses an abstract idea “directed towards ineligible subject-matter.” *Intellectual Ventures*, 792 F.3d at 1367-68. *See Alice*, 134 S. Ct. at 2356 (noting that the concept of risk hedging and intermediated settlement are methods of “organizing human activity.”)

In *Intellectual Ventures*, for example, the patent claims were “directed to an abstract idea: tracking financial transactions to determine whether they exceed a pre-set spending limit (*i.e.*, budgeting). 792 F.3d at 1367. The Federal Circuit found that “budgeting” is an abstract idea and that “using a ‘communication medium’ (broadly including the Internet and telephone networks) . . . does not render the claims any less abstract.” *Id.*; *see also, e.g., Planet Bingo, LLC v. VKGS LLC*, 576 Fed. Appx. 1005, 1008 (Fed. Cir. 2014) (finding patents for computer-aided management of bingo games ineligible). In the present case, monitoring sleep patterns similarly is an abstract idea, and using generic sensors and computer processors does not make claim 1 of the ‘413 patent less abstract. As set forth in the *Ultramercial* decision, the process of collecting data, organizing it in a computer database, and generating reports from the database to be communicated to the product’s user is “an abstraction.” 772 F.3d at 715 (finding ineligible a method for advertising and distributing content over the Internet).

The Commission has affirmed that the idea of obtaining, manipulating and transmitting data about a person’s weight by attaching sensors to the individual and sending the signals to a

processor to be manipulated is abstract. See Order No. 40 at 20-24; Comm'n Notice at 2. The same system related to a person's sleep habits, as described in the '413 patent, is equally abstract. Recording times of sleep and wakefulness is a function that can be carried out in the human brain by an individual or by someone observing the individual, with or without the use of sensors. "[M]ethods which can be performed mentally, or which are the equivalent of human mental work, are unpatentable abstract ideas" *CyberSource*, 654 F.3d at 1371. In this instance, simply using electronic media to obtain and report the same information that could be gathered, maintained and transmitted without electronic media does not satisfy the requirement of section 101.

To illustrate: Human beings have recorded their sleep patterns for ages. The 17th-century English diarist Samuel Pepys began nearly every entry with the observation that he was "up betimes."⁹ Typically, the entry for Wednesday, 15 April 1663 begins: "Up betimes, and after talking with my father awhile, I to my office, and there hard at it till almost noon" www.pepysdiary.com. Pepys recorded this fact using quill and paper, and he passed it on to generations of readers over the centuries by means of print media.

Even assuming that Pepys were the first person on earth to invent the idea of organizing the events of his life and recording them in a diary, Pepys would not be permitted under *Alice* to patent his system so as to preclude others from using a quill and paper to record, for example, the time they awoke each day. Moreover, if Pepys used a ball point pen to record his diary entries more quickly and easily than with his quill, he still could not patent his system of organizing and recording the events of his daily life by writing them down on paper, so as to compel other diarists to pay him when they recorded, using a ball point pen, the time they awoke. It follows

⁹ "Betimes" means in good time, *i.e.*, early. Merriam-Webster Online Dictionary, <http://www.merriam-webster.com/dictionary/betimes>

that, even if Pepys owned a unitary, wearable housing containing electronic components that could organize the events of his daily life and enable him to blog on the Internet that he was “up betimes” (which is exactly the sort of thing Pepys would do), he still would not be allowed under *Alice* to obtain a patent to exclude others from using computers to organize, record and transmit data about their own sleep habits. Obviously, if Pepys had invented quill, paper, pen, electronic sensors, processors, and transceivers, he could patent his inventions and prevent others from using these devices without a license during the statutory period to make a record of the days of their lives, but he did not. Similarly, Jawbone did not invent any of the means for monitoring sleep recited in the patent, and Jawbone cannot patent the idea of monitoring sleep using those means.

That the ‘413 patent claims physical components does not rescue it from ineligibility. Following *Alice*, many courts have held that computer-implemented systems are ineligible for patent because they are abstract, notwithstanding the use of physical components. “[A]n abstract idea is not rendered patentable [] just because of connections to the physical world,” and “the mere presence of a physical step, such as inputting information into a computer, to collect data, will not render a claim patent eligible.” *Wireless Media*, 100 F. Supp. 3d at 415 (citing *In re Grams*, 888 F.2d 835, 840 (Fed. Cir. 1989)); *see also Bilski*, 561 U.S. at 611.

Nor does it matter that the claims of the ‘413 patent are limited to certain physiological data sensors within a housing. “An abstract idea does not become nonabstract by limiting the invention to a particular field of use or technological environment” *Intellectual Ventures*, 792 F.3d at 1366 (citing *Alice*, 134 S. Ct. at 2358). Nor does it matter that computers are more accurate, efficient and economical than humans at observing and recording data about sleep. Jawbone made the same argument with respect to the system for monitoring weight in the ‘546

patent. The argument was rejected because “[e]limination of vagaries in data collection and storage due to manual input by humans may be an improvement, but that does make the idea of managing weight through monitoring caloric consumption and expenditures any less abstract.” Order No. 40 at 22. Jawbone’s argument is no more persuasive with regard to sleep than it was with regard to weight.

That the generic components of the patented system are housed within a single unit “configured to be removably mounted” on the individual’s body, ‘413 patent at 26:20-21, also fails to render the purported invention less abstract. Staff agrees with Jawbone that the addition of the wearable device saves the ‘413 patent, but I am not persuaded for the following reasons.

First, *Alice* teaches that inclusion of a concrete article of manufacture in a system that is no more than an abstract idea does not render the subject matter concrete. At issue in *Alice* were (1) method claims, (2) computer-readable medium claims, and (3) system claims. 134 S. Ct. at 2353. The method claims were directed to “[a] method of exchanging obligations as between parties.” *CLS Bank Int’l v. Alice Corp. Pty. Ltd.*, 717 F.3d 1269, 1285 (Fed. Cir. 2013) (Lourie, concurring) (quoting claim 33 of the ’479 patent). The computer-readable medium claims “formally recite a tangible article of manufacture—a computer-readable medium, such as a computer disk or other data storage device—but such claims also require the device to contain a computer program for directing a computer to carry out a specified process.” *Id.* at 1287. The system claims “recite ‘data processing systems’ configured to enable the exchange of mutual obligations through an intermediary.” *Id.* at 1289 (quoting claim 1 of the ’720 patent).

The Supreme Court addressed the method claims separately from the system and computer-readable medium claims. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S.Ct. 2347, 2359-60 (2014). After determining that the method claims were directed to ineligible subject

matter, the Supreme Court analyzed the computer-readable medium and system claims. Noting that it “has long warn[ed] ... against interpreting § 101 in ways that make patent eligibility depend simply on the draftsman’s art,” the Supreme Court held that

the system claims are no different from the method claims in substance. The method claims recite the abstract idea implemented on a generic computer; the system claims recite a handful of generic computer components configured to implement the same idea.

Alice, 134 S. Ct. at 2360 (internal citations and quotation marks omitted).

Here, as in *Alice*, the recitation of a system consisting of “a handful of generic computer components” and a wearable device to house them is in substance no different than the abstract idea itself. Notwithstanding that the draftsman of the ‘413 patent included a wearable device as part of the claimed system, the abstract idea of tracking sleep remains unchanged. The conclusion that such an abstract idea is unpatentable in these circumstances flows ineluctably from the recent decisions under section 101, in particular, *Alice*.

Second, Staff points to the wearable device as providing sufficient “structure” to overcome the objection of abstractness. Staff’s approach conflicts with the case law. *Alice* and its progeny deem patents ineligible not because they lack structural limitations—the ineligible patent in *Alice*, as discussed above, included machines like data processors with plenty of physical structure. The patents are ineligible because they are drawn to abstract ideas and the physical structures that implement the patented systems provide no meaningful limitation on the scope of those abstract ideas.¹⁰ To overcome abstractness, limitations must “narrow, confine, or

¹⁰ The mere fact that a computer exists in the physical rather than the conceptual realm is “beside the point.” *Alice*, 134 S. Ct. at 2358. As the Supreme Court stated: “There is no dispute that a computer is a tangible system (in § 101 terms, a “machine”), or that many computer-implemented claims are formally addressed to patent-eligible subject matter. But if that were the end of the §101 inquiry, an applicant could claim any principle of the physical or social sciences by reciting a computer system configured to implement the relevant concept. Such a result would make the determination of patent eligibility ‘depend simply on the draftsman’s art’

otherwise tie down the claim so that, in practical terms, it does not cover the full abstract idea itself.” *Cyberfone*, 558 Fed. Appx. at 992 (quoting *Accenture*, 728 F.3d 1336, 1341. That is the problem with the wearable device in ‘413; it simply houses components that implement the idea described in the patent without meaningfully limiting that abstract idea.

Third, the argument that the concept of novelty has no place under section 101 conflicts with *Alice* and the cases applying it. Staff voices the concern that by rejecting the patentability of the ‘413 patent’s wearable device, the concept of novelty will be conflated with the concept of eligibility. Staff says that a car has components that are not new but no one would claim that a car was ineligible for patent. That concern is easily allayed. The familiar concept of novelty in terms of prior art under section 102 of the Patent Act certainly is distinct and is not relevant under Section 101. But other aspects of novelty play a significant role in deciding cases under the framework set forth in *Alice*: under step one, in deciding whether an invention seeks to patent an abstract idea, and under step two, in deciding whether the abstract idea is technologically innovative. In the first step, courts ask whether the patent discloses an activity that can be and has been performed without computers. In short, the courts apply the pen and paper test. *See CyberSource*, 654 at 1372 (invalidating a patent for a process that “can be performed in the human mind, or by a human using a pen and paper”). *Alice* says such activity cannot be monopolized by performing the same mental steps using a computer. The second step of the *Alice* test asks whether the abstract idea is nevertheless used in an innovative way, as in *Diehr*. *See* discussion, *infra*. In *Diehr*, the Supreme Court recognized that the mathematical equation used in the patented rubber-curing process was an abstract idea but held that the claims were eligible “because they improved an existing technological process, not because they were thereby eviscerating the rule that “[l]aws of nature, natural phenomena, and abstract ideas are not patentable.” 134 S. Ct. at 2358-2359 (citations omitted).

implemented on a computer.” *Alice*, 134 S. Ct. at 2358. These critical aspects of novelty under the *Alice* test are distinct from the concept of novelty in section 102.

Staff’s analogy to a car is problematic for another reason. Staff challenges the result that flows from the decision in *Alice* by expanding its application beyond the context of computer-implemented abstract ideas. To be sure, as the Supreme Court has recognized, on some level every invention is an abstract idea: to make a carriage mounted on wheels and powered by an internal combustion engine is an idea. But a car is not an abstract idea implemented on a computer, and the patentability of a car is not the question before me. *See* 134 S. Ct. at 2357 (“[W]e need not labor to delimit the precise contours of the ‘abstract ideas’ category in this case.”) In contrast, it clearly is appropriate to apply *Alice* to a wearable device comprised of generic electronic sensors and processors to be used for recording, monitoring and transmitting sleep data; that is exactly the type of abstract idea that *Alice* and its progeny hold is ineligible under section 101.

Step Two: When the first step of the analysis reveals that a patented system is only an abstract idea, step two of the test for ineligibility requires examination of the patent to determine whether the claims add significantly to the abstract system described. “[T]here must be an ‘inventive concept’ to take the claim into the realm of patent-eligibility.” *Intellectual Ventures*, 792 F.3d at 1367 (quoting *Alice*, 134 S. Ct. at 2358). The invention must “‘transform’ the claimed abstract idea into patent-eligible subject matter.” *Ultramercial*, 772 F.3d at 715 (citing *Alice*, 134 S. Ct. at 2357).

None of the elements disclosed in the ‘413 patent is innovative or transformative. The ‘413 patent claims deriving data from sensors and transmitting data to processors where it is manipulated and sent on to other electronic devices. “[W]holly generic computer

implementation is not generally the sort of ‘additional featur[e]’ that provides any ‘practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself.’” *Alice*, 134 S. Ct. at 2358 (quoting *Mayo*, 132 S. Ct. at 1297). The dependent claims of the ‘413 patent describe only specific sensors and types of data to be used within the system recited in claim 1 and also disclose no innovative aspects of the invention.¹¹

Contrary to Jawbone’s arguments, it is established that under step two of the eligibility analysis, “claiming the improved speed or efficiency inherent with applying the abstract idea on a computer” does not provide “a sufficient inventive concept.” *See Intellectual Ventures*, 792 F.3d at 1367 (citing *Bancorp*, 687 F.3d at 1278; *Ultramerical*, 772 F.3d at 717 (citing *Alice*, 134 S. Ct. at 2357)). As the Federal Circuit explained in *Ultramerical*: “Any transformation from the use of computers or the transfer of content between computers is merely what computers do and does not change the analysis.” 772 F.3d at 717 (emphasis added). Using computer technology “simply instruct[s] the practitioner to implement the abstract idea with routine, conventional activity.” *Id.* at 715; *see Mayo*, 132 S. Ct. at 1298.

The ‘413 patent merely combines conventional elements without adding any technological innovation. The patentees do not claim to have invented the compact sensors, processors, and transceivers that permit systems to be housed in a wearable device. The generic, off-the-shelf components included in the ‘413 patent’s system lack any inventive aspect. *See Cyberfone*, 558 Fed. Appx. at 993 (holding that a patent specifying a range of different machines

¹¹ “The Federal Circuit has held that an extended claim-by-claim analysis is not necessary where multiple claims are “substantially similar and linked to the same abstract idea.” *See Wireless Media*, 100 F. Supp. 3d at 409 (quoting *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat. Ass’n*, 776 F.3d 1343, 1348 (Fed. Cir. 2014), *cert. denied*, 136 S. Ct. 119 (Oct. 5, 2015)). For this reason, analysis of the individual dependent claims is not necessary with respect to the ‘413 patent.

that can be used in the method “adds nothing of significance to the claimed abstract idea.”). Nor does the ‘413 patent combine these off-the-shelf components in new and unexpected ways; it uses them instead for their intended purposes. Even if the wearable device were new to the health care industry, that fact alone would not transform an abstract idea into patentable subject matter. *See Ultramercial*, 772 F.3d at 716 (“That some of the eleven steps were not previously employed in this art is not enough – standing alone – to confer patent eligibility”) The rewards of the patent system “do not flow to ideas – even good ones – outside of the technological arena.” *Id.* at 721 (Mayer, J., concurring).

Jawbone’s reliance on *Diehr* is unavailing. In that case the patented process involved the use of a mathematical formula to transform uncured synthetic rubber “into a different state or thing” and solved a specific, technological problem: the over- or under- curing of rubber. *See* 450 U.S. at 184 (“that respondents’ claims involve the transformation of an article, in this case raw, uncured synthetic rubber, into a different state or thing cannot be disputed.”), 187 (“computer use incorporated in the process patent significantly lessens the possibility of “overcuring” or “undercuring”). No such transformation occurs in the ‘413 patent and no such solution to a specific, technological problem appears therein.

Jawbone also cites *Motio*, where a district court found that the patent-at-issue expanded the functionality of existing computer software by providing “an automated agent to solve the problem of a business intelligence system lacking native version control.” 2016 WL 26043 at *3. The improvement, the court said, “amounts to significantly more than a patent on the idea of maintaining versions of electronic documents itself.” *Id.* The *Motio* court cited *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1249 (Fed. Cir. 2014), in which the Federal Circuit found that the second step of the eligibility test was met where “the claimed solution is

necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” 2016 WL 26043 at *4. The same cannot be said of the ‘413 patent, which addresses a problem in human existence—tracking sleep patterns—not a problem in computer technology. The elements of the system described in the ‘413 patent, like the patent in *Wireless Media*, “merely require generic computer functions that are not inventive,” 100 F. Supp. 3d at 417, and hence, are ineligible for patent protection under section 101.

2. The ‘707 Patent

The general principles discussed above also support summary determination with respect to the ‘707 patent.

Step One: The independent claim of the ‘707 patent claims an abstract idea: collecting information about an individual’s health status and presenting information to the individual based on the data obtained. The asserted dependent claims add certain features but are linked to the same abstract idea.¹²

The functions described in the patented system generally can be performed by human beings without computers (perhaps less quickly and efficiently). Jawbone says human beings cannot perform the functions of its patented system; but there is nothing to stop human beings from making the same calculations that a computer can perform using data derived from conventional sensors. Doctors and nurses, for example, routinely do so when charting medical data using pen and paper. Jawbone claims that the system “transforms” the quality of the data but the actual claims do not encompass any transformation: the data inputs are manipulated in conventional, programmable devices that present the results to the user. The data remain data, and the patent describes only the use of generic computer functions using known methods. The

¹² See note 11, *supra*.

reference to a “baseline parameter” in claim 23, ‘707 patent at 22:65-67, relates to the same abstract idea of presenting information to the user. Claim 24 claims the additional step of providing suggestions based on derived parameters, ‘707 patent at 23:1-24:3, but this same idea was found to be abstract in Order No. 40; a human being monitoring health status using conventional sensors also can make suggestions based on such information. Order No. 40 at 20-24.

Step Two: The ‘707 patent describes no technological advance and relies purely on conventional electronic devices. There are no limitations on the high-level description of the claimed invention, and Jawbone points to no technological components that would transform the patented system into anything other than an idea for collecting data about an individual and using it in a computer program to present information about his or her health. As set forth in Order No. 40, machines used in patented systems do not save a patent from ineligibility when they are used in a conventional manner. Order No. 40 at 24-28.

The specification of the ‘707 patent underscores the lack of any inventive step. The patented system’s off-the-shelf electronic components are sold by third parties and utilized in an entirely conventional manner. *See* ‘707 patent at 10:63-11:31. As discussed above, section 101 requires “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.” *Wireless Media*, 100 Fed. Supp. 3d at 412 (quoting *Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 132 S.C Ct. at 1294)). The ‘707 patent claims the use of conventional electronic and computing technology to implement an abstract idea: using sensors to collect and present certain health data to a user. Under the legal precedent discussed above and in Order No. 40, the claims of the ‘707


patent describe no “new and useful process, machine, manufacture, or composition of matter” that is eligible under 35 U.S.C. § 101.

III. CONCLUSION

For the foregoing reasons, Motion Docket No. 963-047 is GRANTED. The asserted claims of U.S. Patent Nos. 8,961,413 and 8,073,707 are directed to ineligible subject matter under 35 U.S.C. § 101, and it is my Initial Determination that these patents are terminated from the Investigation.

This Initial Determination, along with supporting documentation, is hereby certified to the Commission. This Initial Determination shall become the determination of the Commission unless a party files a petition for review of the Initial Determination pursuant to Commission Rule 210.43(a), or the Commission, pursuant to Commission Rule 210.44, orders, on its own motion, a review of the Initial Determination or certain issues contained herein. 19 C.F.R. § 210.42(d).

SO ORDERED.



Dee Lord
Administrative Law Judge

PUBLIC CERTIFICATE OF SERVICE

I, Lisa R. Barton, hereby certify that the attached **ORDER** has been served by hand upon the Commission Investigative Attorney, **Peter Sawert, Esq.**, and the following parties as indicated, on **April 27, 2016**.



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