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DISTRICT COURT CASES

District Court Awards Attorney Fees Under its Inherent Powers Rather than 35 U.S.C. § 285

On October 10, 2013, plaintiff MyMedicalRecords, Inc. (MMR) sued defendants claiming infringement of U.S. Patent Nos. 8,301,466 and 8,498,883. In its claim construction order, the court found claims 1-3 of the '883 Patent indefinite. Despite that order, MMR would not stipulate to invalidity of the '883 Patent claims, forcing defendants to file a motion for summary judgment of invalidity. In its opposition, MMR merely reargued its claim construction position. Defendants later moved for attorney fees under 35 U.S.C. § 285.

The court began its analysis by noting that 35 U.S.C. § 285 applies to exceptional cases, i.e., more than one sanctionable act. Single acts, on the other hand, should be handled through the court's inherent powers. The court agreed that MMR's refusal to withdraw its claims relating to or stipulate to invalidity of the '883 Patent was unreasonable. But that was the only sanctionable act by MMR, so the case is not exceptional. As a result, the court awarded attorney fees to defendants under its inherent power, not 35 U.S.C. § 285.

MyMedicalRecords, Inc. v. Jardogs, LLC, et al., Civ. No. 2:13-cv-03560-ODW (SHx) (C.D. Cal.);
MyMedicalRecords, Inc. v. WebMD Health Corp., et al., Civ. No. 2:13-cv-07285-ODW(SHx) (C.D. Cal.).

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The Northern District of California Denies Motion for Judgment on the Pleadings Seeking a Determination of Invalidity based on 35 U.S.C. § 101

A California district court denied defendant's motion for judgment on the pleadings that a patent covering methods and systems for organizing meetings is invalid under 35 U.S.C. § 101. The defendant argued that the claims are directed to the abstract idea of organizing a meeting and using software to execute that idea on a computer. The patentee countered by arguing that the claims solved the technical problem of enabling meeting attendees to send and receive messages without divulging their e-mail addresses. The defendant responded, explaining that such an idea was abstract and well-known, and pointing out that newspapers once offered a similar solution to permit responses to personal ads. The court agreed that the challenged claims are conceptually similar to other types of anonymous communications. Nonetheless, the court explained that "[t]he patent does not merely teach using generic computer programming to address a pre-existing need for anonymous communications in other situations," instead, the patent is directed specifically to problems that would arise in electronic communications. The court considered the issue a close one and expressed willingness to reconsider it on a fully-developed record, but in light of the Supreme Court's instruction in *Alice* to not apply the "abstract idea" limitation too broadly, the district court denied the defendant's motion for judgment on the pleadings.

Mobile-Plan-It LLC v. Facebook Inc., No. 14-cv-01709 (N.D. Cal. Apr. 20, 2015).

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Citing Lack of Clarity and Differing Standards Applied By District Courts, Delaware Chief Judge Stark Invalidates Two Patents But Declines to Decide Which Burden of Proof Applies in the Section 101 Context

On April 22, 2015, Chief Judge Stark in the district of Delaware entered an order invalidating two patents under Section 101 and refusing to invalidate the third. In this case, Intellectual Ventures asserted three patents against Symantec and Trend Micro: U.S. Patent Nos. 6,460,050 (the "'050 patent"), 6,073,142 (the "'142 patent"), and 5,987,610 (the "'610 patent"). The court indicated that it would reserve its rulings on the Section 101 issues until after trial. Trial proceeded against Symantec, and the jury returned a verdict of infringement of the '142 and '610

patents and no infringement of the '050 patent. The Trend Micro case is set for trial on May 11.

The court noted that although patent eligibility under 35 U.S.C. § 101 is an issue of law, “there is no clarity at this time as to the standard of proof that must be applied to factual disputes that may be intertwined with the issue of eligibility of a particular patent or claim.” *Id.* at 9. In fact, Districts have applied different standards in addressing patent-eligibility under § 101 – some have treated the issue solely as a question of law, while others have applied a clear and convincing evidentiary burden. See *id.* at 10-11. The court declined to resolve the dispute over the standard of proof required to invalidate a claim under § 101, but instead explained that the '050 and '142 patents are patent ineligible even assuming the court must apply a clear and convince standard.

Intellectual Ventures I LLC v. Symantec Corp., No. 10-1067-LPS, in the District of Delaware (Apr. 22, 2015).

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Abstract Solution Found Valid When Tethered to Technology that Created the Problem

The district court for the district of Delaware found claims valid under 35 U.S.C. § 101, despite defendants' arguments that the claims only added “generic computer components or field of use limitations” to an abstract idea, because the claims “solved a problem specific to the realm of computer networks in a way that was rooted in computer technology.”

First, the court addressed the standard of proof and recognized, “[t]here is a lack of direct authority as to whether the clear and convincing evidence standard applies to the question of patentability under § 101.” Although the court was “inclined to agree with defendants” that “the clear and convincing standard should not apply to questions of law,” it declined to decide the issue because it found the claims “patent-eligible under either standard.”

Turning next to the two-part § 101 analysis under *Alice Corp. Pty. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2354 (2014), the court first determined whether the challenged claims were drawn to an abstract idea. The court analyzed representative Claim 20 – directed to a computer system that (1) receives from a mobile device an SMS text message containing a URL address a that is fewer than seven digits, (2) inserts the text message into an IP message, and (3) transmits the IP message – and found “that Claim 20 is directed to the abstract idea of translation.” The court reasoned, “a translator receives a message in one language, translates it into another, and delivers the translated message.”

The court then turned to the second Alice prong, whether the claims contained an “inventive concept . . . sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [abstract idea] itself.” Citing *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014), the court found that “Claim 20 contains an inventive concept sufficient to render it patent-eligible” because it “is necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.” The court reasoned, “Claim 20 is directed to a problem unique to text-message telecommunication between a mobile device and a computer. The solution it provides is tethered to the technology that created the problem.” Further, the court found, “Claim 20 contains meaningful limitations that prevent it from preempting the abstract idea of receiving, translating, and delivering a message. It is limited to SMS text messages between a mobile device and the Internet.”

Messaging Gateway Solutions LLC v. Amdocs, Inc. et al., Case No. 14-cv-00732-RGA (D. Del., April 15, 2015) (Andrews, J.).

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