



IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division

IN RE: TLI COMMUNICATIONS LLC)
PATENT LITIGATION)
_____) MDL No. 1:14md2534
)
This document relates to ALL member cases)
_____)

MEMORANDUM OPINION

The remaining, but still numerous, defendants¹ in this multidistrict litigation (“MDL”) patent infringement action have filed a consolidated motion to dismiss that raises, *inter alia*, the following two important and potentially dispositive questions:

- (1) Whether the patent at issue, United States Patent 6,038,295, titled an “Apparatus and Method for Recording, Communicating and Administering Digital Images” (hereinafter “‘295 patent”), is invalid because it claims patent-ineligible subject matter under 35 U.S.C. § 101; and
- (2) Whether Claims 1 and 25 of the ‘295 patent contain means-plus-function terms, and if so, whether these claims are fatally indefinite under 35 U.S.C. § 112(f) for failing to disclose corresponding structure.

For the reasons that follow, defendants’ motion to dismiss on § 101 and § 112(f) grounds must be granted:

- (1) The ‘295 patent is directed to an abstract idea and lacks an inventive concept, making it ineligible for patent protection under § 101; and
- (2) Claims 1 and 25 of the ‘295 patent contain means-plus-function terms without disclosing corresponding structure and these claims are therefore fatally indefinite pursuant to § 112(f).

¹ Initially, plaintiff sued 30 defendants in this consolidated MDL action. Since then, stipulations of dismissal have been filed with respect to the following defendants: (1) Max Media LLC, (2) For a Song Inc., (3) WHI, Inc., (4) Photobucket.com, Inc., (5) Smugmug, Inc, (6) Lucidiom, Inc., and (7) Richmond Camera Shop, Inc.

I.

A.

Plaintiff TLI Communications LLC (“TLI”), a Delaware limited liability corporation, is a non-producing entity and the owner by assignment of the ‘295 patent.² The twenty-three remaining defendants in this consolidated MDL action include various social media and software entities.³

The ‘295 patent, titled an “Apparatus and Method for Recording, Communicating and Administering Digital Images,” is directed to an apparatus and method that

simplifies transmission of digital images which have been recorded, optimizes the communication of the image data and provides a method for administering the storage of the digital images, which is simple, fast and surveyable so that the digital images may be archived.

‘295 patent, col.1, 1.66-col.2, 1.4. The ‘295 patent has 26 claims: 3 independent claims and 23 dependent claims. Independent Claim 1 is a system claim, independent Claim 17 is a method claim, and independent Claim 25 is an apparatus claim.

Independent Claim 1, a system claim, consists of:

A communication system for recording and administering digital images, comprising:

² It is undisputed that plaintiff owns all right, title and interest in the ‘295 patent and is therefore a proper plaintiff. *See Suffolk Technologies LLC v. AOL Inc.*, 910 F. Supp. 2d 850, 860 (E.D. Va. 2012) (noting that assignee possessed “core rights to practice the patent and to enforce the patent”). *See also Morrow v. Microsoft Corp.*, 499 F.3d 1332, 1339 (Fed. Cir. 2007) (noting that assignee held the “entire bundle of sticks” with respect to the patent and was entitled “to sue for infringement in its own name”).

³ The remaining defendants are: (1) AV Automotive, LLC., (2) Apple Inc., (3) Hall Automotive, LLC, (4) Yahoo! Inc., (5) Tumblbr, Inc., (6) Twitter, Inc., (7) Google, Inc., (8) Pinterest, Inc., (9) Facebook, Inc., (10) Instagram, LLC, (11) Dropbox Inc., (12) IAC/InterActiveCorp., (13) CityGrid Media LLC, (14) Vimeo LLC, (15) Imgur LLC, (16) Shutterfly Inc., (17) TripAdvisor Inc., (18) TripAdvisor LLC, (19) Snapchat Inc., (20) Yelp Inc., (21) Capitol One Financial Corporation, (22) Capital One, N.A., and (23) Capital One Services, LLC.

- at least one telephone unit including:
 - a telephone portion for making telephone call,
 - a digital pick up unit for recording images,
 - a memory for storing digital images recorded by the digital image pick up unit,
 - means for allocating classification information prescribed by a user of said at least one telephone unit to characterize digital images obtained by said digital pick up unit,
 - a processor for processing the digital images recorded by the digital image pick up unit;
- a server including the following components:
 - a receiving unit for receiving data sent from said at least one telephone unit,
 - an analysis unit for analyzing the data received by the receiving unit from the telephone unit,
 - the data including classification information to characterize the digital images,
 - a memory in which at least the digital images are archived, the archiving taken [sic] into consideration the classifying information; and
 - a transmission system coupled to said at least one telephone unit and to the said server to provide for transmission of data from said at least one telephone unit and to the said server, the data including at least the digital images recorded by the digital image pick up unit and classification information.

The claimed communication system describes two components: (1) at least one telephone unit and (2) a server. The '295 patent specification describes the telephone unit as including the "standard features of a telephone unit including, for example, an earphone . . . a keypad . . . which serves as an operating field for the telephone unit . . . as well as a microphone . . ." '295 patent, col.5, ll.55-58. As Claim 1 indicates, the telephone unit consists of a digital pick up unit, a memory, a means for allocating classification information, and a processor. The digital image pick up unit is integrated into the telephone unit and operates as a "digital photo camera of the type which is known." *Id.*, col.5, ll.59-61, col.6, ll.1-2. Thus, "recording images" is the function of the digital image pick up unit. *Id.*, col.5, l.59. These images may be compressed using "still picture image data compression methods" and are then stored using the telephone unit memory.

Id., col.6, ll.2-6. Also stored with the digital images is classification information—information associated with the digital images⁴—which is allocated using “the allocation means.” *Id.*, col.6, ll.46-47. The telephone unit also includes a data processor which processes the digital images and can be used for other processing tasks such as pattern recognition or voice recognition. *Id.*, col.6, ll.8-12.

The second part of the communication system is the server which is comprised of a receiving unit for “receiving the data that is sent from the telephone unit,” and an analysis unit, which serves to “analyze the image content and record the image according to the meaning derived from the image analysis.” *Id.*, col.5, ll.6-8, col.6, l.65-col.7, l.1. The data is sent from the telephone unit to the receiving unit “via the transmission system.” *Id.*, col.5, ll.6-7. The server itself then provides a “memory . . . for storing the data, as well as the digital images which [are] contained in the data.” *Id.*, col.5, ll.11-13. The classification information is transmitted to the server from the telephone unit and is “used for archiving the images in the server memory.” *Id.*, col.7, ll.52-55. The classification information “characterize[s] the digital images.” *Id.*, col.2, l.18.

Dependent claims 2-8 build upon Claim 1 by adding the following limitations to the communication system: wirelessly coupling the transmission system to a telephone unit (Claim 2),⁵ implementing a speech recognition unit (Claim 3),⁶ incorporating audio data as the

⁴ Importantly, the term “classification information” is a disputed claim term, as plaintiff argues that “classification information” should be given its plain and ordinary meaning and needs no further construction. Defendants argue instead that “classification information” should be construed to mean “information explicitly input by a user to characterize an individual image.”

⁵ See ‘295 patent, col.9, ll.13-15 (“A communication system as claimed in claim 1, wherein said transmission system is wirelessly coupled to said at least one telephone unit.”).

classification information (Claim 4),⁷ including spoken language as the classification information (Claim 5),⁸ including time information as the classification information, (Claim 6),⁹ and incorporating the telephone number (Claim 7)¹⁰ and location memory (Claim 8)¹¹ as the classification information prescribed by the user. Dependent claim 9 also incorporates the “communication system as claimed in claim 1,” but specifies that the “server includes a data bank system.” *Id.*, col.9, ll.41-42.

Dependent claim 10 adds an “image analysis unit for determining quality of the digital images.” *Id.*, col.9, ll.44-45. And dependent claim 11 includes a “control unit for controlling resolution of digital images in said at least one telephone unit.” *Id.*, col.9, ll.47-49. Dependent claim 15 also includes a control unit, but the control unit controls “a transmission rate of data used in the transmission system for transmission of the digital images.” *Id.*, col.9, ll.60-62. Dependent claim 16 provides for “a control unit for controlling resolution of digital images in

⁶ *See id.*, col.9, ll.16-18 (“A communication system as claimed in claim 1, wherein said at least one telephone unit further comprises a speech recognition unit.”).

⁷ *See id.*, col.9, ll.19-22 (“A communication system as claimed in claim 1, wherein said at least one telephone unit further comprises means for incorporating audio data as the classification information.”).

⁸ *See id.*, col.9, ll.23-27 (“A communication system as claimed in claim 4, wherein the audio data is language spoken into said at least one telephone unit, said at least one telephone unit including means for including spoken language as the classification information.”).

⁹ *See id.*, col.9, ll.28-32 (“A communication system as claimed in claim 1, wherein said communication system includes a means for incorporating time information of image recording and/or image transmission of image data as the classification information.”).

¹⁰ *See id.*, col.9, ll.33-36 (“A communication system as claimed in claim 1, wherein said classification information includes at least a telephone number of said at least one telephone unit and/or a telephone number of said server.”).

¹¹ *See id.*, col.9, ll.37-40 (“A communication system as claimed in claim 1, wherein said classification information includes particular location information in memory at which the digital images are to be stored.”).

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