

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION**

<b>GUADA TECHNOLOGIES LLC,</b> Plaintiff,  v.  <b>NETFLIX, INC.,</b> Defendant.	CASE NO. 2:16-cv-1153-RWS-RSP  <b>PATENT CASE</b>
<b>GUADA TECHNOLOGIES LLC,</b> Plaintiff,  v.  <b>PANDORA MEDIA, INC.,</b> Defendant.	CASE NO. 2:16-cv-1154-RWS-RSP  <b>PATENT CASE</b>
<b>GUADA TECHNOLOGIES LLC,</b> Plaintiff,  v.  <b>SPOTIFY USA INC.,</b> Defendant.	CASE NO. 2:16-cv-1159-RWS-RSP  <b>PATENT CASE</b>

**PLAINTIFF GUADA TECHNOLOGIES LLC'S COMBINED  
OPPOSITION TO DEFENDANTS NETFLIX, INC., PANDORA  
MEDIA, INC., AND SPOTIFY USA INC.'S MOTION TO DISMISS**

David R. Bennett  
(Illinois Bar No. 6244214)  
DIRECTION IP LAW  
P.O. Box 14184  
Chicago, IL 60614-0184  
Telephone: (312) 291-1667  
e-mail: [dbennett@directionip.com](mailto:dbennett@directionip.com)  
**ATTORNEY FOR PLAINTIFF  
GUADA TECHNOLOGIES LLC**

Dated: January 12, 2017

**TABLE OF CONTENTS**

	<b>Page</b>
TABLE OF CONTENTS.....	i
TABLE OF AUTHORITIES .....	iii
TABLE OF EXHIBITS .....	v
I. INTRODUCTION .....	1
II. BACKGROUND .....	3
A. The Patent-in-Suit Addresses Problems Associated with A User Traversing Nodes in a Computerized Hierarchically Arranged Decisional Network.....	3
1. The Claims of the ‘379 Patent .....	5
2. The Prosecution History Explains that the Claims Address Problems Navigating Hierarchically Arranged Decisional Networks.....	7
a. The Prior Art Raised in the First Office Action Did Not Address Hierarchical Networks of Navigable Nodes, Associating Keywords with Nodes, or Jumping to Nodes .....	7
b. In response to the Final Office Action, Applicant Explained “Jumping” to Nodes and Distinguished the Prior Art as Not Disclosing a Hierarchical Network or Navigating Networks .....	8
c. Appeal Briefing.....	9
B. Claim Construction Issues .....	10
1. “A System Having Multiple Navigable Nodes Interconnected in a Hierarchical Arrangement” and “An Arrangement of Nodes Representable as a Hierarchical Graph Containing Vertices and Edges Connecting at Least Two of the Vertices” .....	10
2. “Jumping” .....	12
3. “Jumping to the At Least One Node” and “Jumping to the Vertex” .....	12
III. STATEMENT OF THE LAW .....	13
A. Motions for Judgment on the Pleadings Are Viewed with Disfavor .....	13

B. Patent Eligibility under 35 U.S.C. §101 .....14

C. Computer Software Applications Are Patent Eligible Under §101 .....16

IV. ARGUMENT ..... 17

A. The Claims in the Patent-in-Suit do not Recite an Abstract Idea .....17

1. Independent Claims 1 and 7 of the ‘379 Patent Are Directed to Improved Computer Functionality and Not an Abstract Idea..... 18

2. Dependent Claims 2-6 of the ‘379 Patent Add Further Inventive Concepts to the Independent Claims..... 20

3. Defendants’ Alleged Abstract Ideas Ignore the Claim Language ..... 21

4. The Claims Are Distinguishable from Cases Found by the Courts to be Directed to an Abstract Idea..... 23

a. The Claims Are Not Directed to Information Management ..... 23

b. The Claims Specify Implementation Details for the Steps and are Not Result Oriented..... 24

c. The Claimed Invention Does Not Perform a Well-Known Concept Such as Looking Up Terms in a Textbook Index ..... 25

d. The Claims Do Not Require a Reference to Hardware..... 26

B. The Claims Have Material, Non-Generic Limitations that Render the Claims Patent Eligible Under §101.....27

CONCLUSION..... 29

## TABLE OF CITATIONS

	<b>Page(s)</b>
<b>Cases</b>	
<i>Alice Corp. Pty. Ltd. v. CLS Bank Int'l</i> , 573 U.S. ___, 134 S.Ct. 2347 (2014).....	passim
<i>Bancorp Services v. Sun Life Assur. Co. of Canada</i> , 687 F. 3d 1266 (Fed.Cir. 2012).....	14
<i>Bascom Global Internet Serv. v. AT&amp;T Mobility LLC</i> , 827 F.3d 1341 (Fed.Cir. 2016).....	3, 16, 29
<i>Bilski v. Kappos</i> , 561 U.S. 593 (2010).....	17
<i>California Inst. of Tech. v. Hughes Comm., Inc.</i> , 2014 U.S. Dist. WL 5661290 (C.D. Cal. Nov. 3, 2014).....	13, 14
<i>Campbell v. Wells Fargo Bank</i> , 781 F.2d 440 (5th Cir. 1986) .....	13
<i>DDR Holdings, LLC v. Hotels.com</i> , 773 F.3d 1245 (Fed.Cir. 2014).....	passim
<i>Enfish, LLC v. Microsoft Corp.</i> , 822 F.3d 1327 (Fed.Cir. 2016).....	passim
<i>Internet Patents Corp. v. Active Network, Inc.</i> , 790 F.3d 1343 (Fed.Cir. 2015).....	15
<i>Kaiser Aluminum &amp; Chem. Sales v. Avondale Shipyards</i> , 677 F.2d 1045 (5th Cir. 1982) .....	13
<i>Lowery v. Texas A&amp;M Univ. Sys.</i> , 117 F.3d 242 (5th Cir. 1997) .....	13
<i>Mayo Collaborative Services v. Prometheus Laboratories, Inc.</i> , 566 U.S. ___, 132 S.Ct. 1289 (2012).....	15
<i>McRO, Inc. v. Bandai Namco Games Am. Inc.</i> , 837 F.3d 1299 (Fed.Cir. 2016).....	passim
<i>McZeal v. Sprint Nextel Corp.</i> , 501 F.3d 1354 (Fed.Cir. 2007).....	13
<i>Parker v. Flook</i> , 437 U.S. 584 (1978).....	17
<i>Phonometrics, Inc. v. Hospitality Franchise Systems</i> , 203 F.3d 790 (Fed.Cir. 2000).....	13
<i>Rockstar Consortium US LP, Inc. v. Samsung Electronics Co., Ltd.</i> , 2014 WL 1998053 (E.D. Tex. May 15, 2014).....	14

*Rockstar Consortium US LP, Inc. v. Samsung Electronics Co., Ltd.*,  
Case No. 2:13-cv-894, Dkt. No. 75 (E.D. Tex. July 21, 2014) (Gilstrap, J.) ..... 14

*Synopsys, Inc. v Mentor Graphics Corp.*,  
839 F.3d 1138 (Fed.Cir. 2016)..... 27

**Statutes**

35 U.S.C. §101 ..... 14, 16, 17, 29

**Rules**

Rule 12(b)(6), Fed.R.Civ.P. .... 13

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.