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<div style="float:left">United States District Court
Northern District of California</div>

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

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UNILOC USA INC, et al.,

Case No. 18-CV-06738-LHK

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Plaintiffs,

AMENDED ORDER GRANTING MOTION TO DISMISS

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v.

Re: Dkt. No. 86

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LG ELECTRONICS USA INC, et al.,

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Defendants.

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This order supersedes ECF No. 107, which has been vacated.

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Plaintiffs Uniloc USA Inc., Uniloc Luxembourg S.A., and Uniloc 2017 LLC filed a patent

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infringement suit against Defendants LG Electronics USA Inc., LG Electronics Inc., and LG

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Electronics MobileComm USA, Inc. Plaintiffs allege that Defendants infringe claims of U.S.

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Patent No. 6,993,049 ("the '049 Patent"). Before the Court is Defendants' motion to dismiss,

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which contends that the '049 Patent fails to recite patent-eligible subject matter under 35 U.S.C.

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§ 101. ECF No. 86 ("Mot."). Having considered the submissions of the parties, the relevant law,

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and the record in this case, the Court finds the '049 Patent invalid under § 101 and GRANTS

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Defendants' motion to dismiss the second amended complaint.

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I.   BACKGROUND

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A. Factual Background

1. The Parties and Technology at Issue

Plaintiff Uniloc USA Inc. is a Texas corporation. ECF No. 77 (second amended complaint, or "SAC") at ¶ 1. Plaintiff Uniloc Luxembourg S.A. is a Luxembourg public limited liability company. *Id.* at ¶ 2. Plaintiff Uniloc 2017 LLC is a Delaware limited liability company. *Id.* at ¶ 3.

Defendant LG Electronics USA Inc. is a Delaware corporation with a place of business in Fort Worth, Texas. *Id.* at ¶ 4. Defendant LG Electronics Inc. is a Korean corporation with its principal place of business in Seoul, Korea. *Id.* at ¶ 6. Defendant LG Electronics Mobilecomm USA, Inc. is a California corporation with a place of business in San Diego, California. *Id.* at ¶ 5. Defendants are alleged to import, use, offer for sale, and sell "electronic devices that utilize Bluetooth Low Energy version 4.0 and above ("Bluetooth")." *Id.* at ¶ 11. Plaintiffs accuse more than 100 of Defendants' products of infringing the '049 Patent. *Id.* The Court next summarizes the '049 Patent.

2. The '049 Patent

The '049 Patent is titled "Communication System." '049 Patent at front page. It was filed on June 7, 2001 and was issued on January 31, 2006.

The claims of the '049 are purportedly directed to an improvement on standard Bluetooth technology. The Court first explains standard Bluetooth technology, then the purported improvement over standard Bluetooth technology.
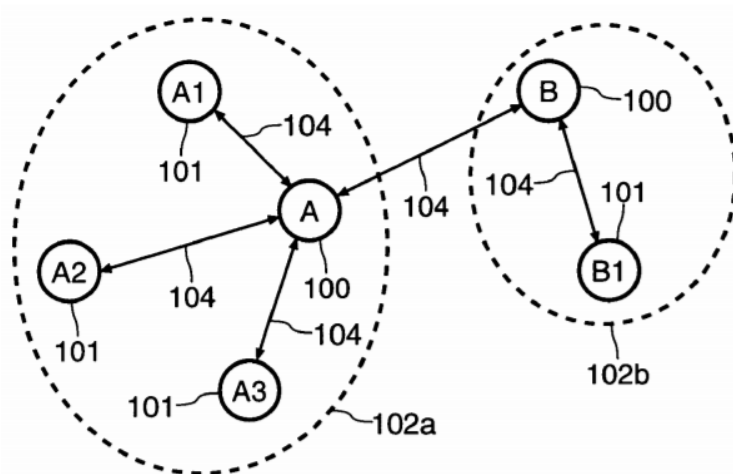

FIG. 1

1   Figure 1 depicts a standard Bluetooth network configuration. A "host device," such as a

2   "portable PC and a cellular phone" can contain a Bluetooth "station." *Id.* at 3:30-38. As depicted

3   in Figure 1, various stations contained in various host devices (items 100 and 101) can

4   communicate wirelessly with one another across communication channels (items 104). Each

5   station belongs to an "ad hoc" network called a "piconet" (items 102a and 102b). *Id.* at 1:20-22,

6   3:36-38. Each piconet contains a "master" station (items 100) that initiates and controls

7   communications with up to 7 other stations known as "slaves." *Id.* at 3:44-48, 4:48-58. In Figure

8   1, the slaves are depicted as items 101. *Id.* at 3:44-46. "In general[,] the networking components

9   (i.e. the Bluetooth chip for a Bluetooth network) of all stations [items] 100, 101 will be

10   implemented identically." *Id.* at 3:38-41. Communications between master and slave stations

11   occur via the exchange of data "packets" over a wireless channel. *Id.* at 5:19-20.

12   The application of Bluetooth technology most relevant to the '049 Patent is "the

13   connection of controller devices to host systems." *Id.* at 1:27-28. As described above, a host can

14   be a computer or a cellphone. *Id.* at 3:30-38. A "controller device, also known as a

15   Human/machine Interface Device (HID), is an input device such as a keyboard, mouse, games

16   controller, graphics pad or the like." *Id.* at 1:28-31. "Setting up a link requires a HID to join, as a

17   slave, the piconet including the host system (which will typically act as the piconet master, i.e. a

18   base station). Joining the piconet requires two sets of procedures, namely 'inquiry' and 'page.'" *Id.*

19   at 1:52-55. "Inquiry allows a would-be slave to find a base station and issue a request to join the

20   piconet. Page allows a base station to invite slaves of its choice to join the net." *Id.* at 1:56-58.

21   "When a Bluetooth unit wants to discover other Bluetooth devices, it enters a so-called

22   inquiry substate. In this mode, it issues an inquiry message . . . ." *Id.* at 4:23-25. In other words, a

23   master in an inquiry substate issues inquiry messages when looking to discover other Bluetooth

24   slaves. The inquiry message is repeatedly sent over multiple wireless frequencies. *Id.* at 4:28-34.

25   The entire process of sending an inquiry message over multiple frequencies is divided into

26   timeslots. *Id.* Each timeslot is dedicated to a specific task undertaken by the master in inquiry

27   mode. Assume the master is at timeslot 2. During timeslot 2, the master *sends* 2 inquiry messages,

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1   each inquiry message over a different frequency. *Id.* During the subsequent timeslot, timeslot 3,

2   the master then *listens* for any replies to its inquiry messages on the two wireless frequencies over

3   which the master sent the 2 inquiry messages in timeslot 2. *Id.*

4   In conventional Bluetooth technology, a slave HID can "enter a 'park' mode and cease

5   active communications" with the master. *Id.* at 1:43-47. "A slave has to be polled before it can

6   submit a request to leave park mode and become active." *Id.* at 1:47-49. "In particular, for a HID

7   to sign on to the piconet automatically when the host system is turned on it will either have to be

8   regularly waking up to look for Bluetooth inquiry bursts, thereby consuming power, or it will need

9   to be manually woken up by the user." *Id.* at 1:66-2:3. The purported improvement over this

10   standard process of signing on to the piconet is reflected in Figure 5.

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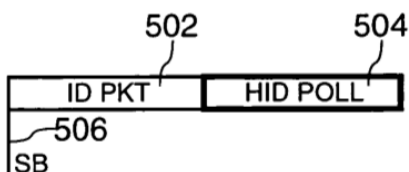
15   As shown in Figure 5, the standard inquiry messages (item 502) issued by the master have

16   an extra field (item 504) "appended to them, capable of carrying a HID [(Human/machine

17   Interface Device)] poll message. The extended field [item] 504 may carry a header that signifies a

18   HID poll to distinguish it from other applications of extended field information . . . ." *Id.* at 4:60-

19   64; 5:19-20. Thus, the Patent's alleged novelty lies in "piggy-back[ing]" the extra field (item 504)

20   onto a standard "inquiry message[(item 502)] issued by the master." *Id.* at 4:15-20. Adding the

21   extra field (item 504) provides HIDs "with a rapid response time without the need for a

22   permanently active communication link" to the master. *Id.* at abstract.

23   Plaintiffs assert that Defendants have infringed "claims of the '049 Patent." Defendants'

24   motion to dismiss focuses on claim 2.[1] Claim 2 recites:

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[1] Plaintiffs have not identified any representative claims of the '049 Patent. As discussed below, the Court finds claim 2 to be representative of the '049 Patent.

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1   2. A primary station for use in a communications system comprising at least one secondary

2   station, wherein means are provided for broadcasting a series of inquiry messages, each in the

3   form of a plurality of predetermined data fields arranged according to a first communications

4   protocol, and for adding to each inquiry message prior to transmission an additional data field for

5   polling at least one secondary station.”

6   *Id.* at 7:42-49.

7   **B. Procedural History**

8   On March 9, 2018, Plaintiffs Uniloc USA, Inc. and Uniloc Luxembourg, S.A.,[2] initiated

9   suit against Defendants in the Northern District of Texas. ECF No. 1. On July 2, 2018, Plaintiffs

10   Uniloc USA, Inc. and Uniloc Luxembourg, S.A. filed a first amended complaint. ECF No. 30. On

11   July 26, 2018, Defendants moved to transfer the case to the Northern District of California. ECF

12   No. 35. On November 5, 2018, Defendants’ motion to transfer the case to the Northern District of

13   California was granted, ECF No. 45, and on November 6, 2018, the case was transferred to the

14   Northern District of California, ECF No. 46.

15   On November 20, 2018, pursuant to Patent Local Rule 2-1, Defendants filed a notice of

16   pendency of other action involving the same patent. ECF No. 61. Defendants disclosed that the

17   ’049 Patent is being asserted in another case before this Court in *Uniloc USA, Inc. v. Logitech, Inc*,

18   Case No. 18-CV-1304-LHK. *Id.* As a result, the instant action was reassigned to this Court on

19   November 21, 2018.

20   On January 23, 2019, Plaintiffs filed a second amended complaint. ECF No. 77. On

21   February 6, 2019, Defendants filed the instant motion to dismiss. ECF No. 86 (“Mot.”). On

22   February 27, 2019, Plaintiffs filed an opposition. ECF No. 95 (“Opp.”).[3] On March 13, 2019,

23   Defendants filed a reply. ECF No. 99 (“Reply”).

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[2] Uniloc 2017 LLC, a Plaintiff in the second amended complaint, was not listed as a Plaintiff in the original complaint or the first amended complaint.

[3] Plaintiffs’ opposition appears to be a near-exact copy of an opposition filed in *Uniloc 2017 LLC v. LG Electronics U.S.A., Inc. et al.*, Case No. 18-CV-03071-N, ECF No. 24, in the United States District Court for the Northern District of Texas, which involved a different patent.

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