

No. 2018-1404

---

IN THE  
**United States Court of Appeals**  
FOR THE FEDERAL CIRCUIT

---

ANCORA TECHNOLOGIES, INC.,

*Plaintiff-Appellant,*

v.

HTC AMERICA, INC., HTC CORPORATION,

*Defendants-Appellees.*

---

APPEAL FROM THE U.S. DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON  
Case No. 2:16-cv-01919-RAJ

---

**BRIEF OF APPELLEES**  
**HTC AMERICA, INC. AND HTC CORPORATION**

---

IRFAN A. LATEEF

*Counsel of Record*

JOSEPH R. RE

BRIAN C. CLAASSEN

DANIEL C. KIANG

**KNOBBE, MARTENS, OLSON & BEAR, LLP**

2040 Main Street, 14<sup>th</sup> Floor

Irvine, CA 92614

(949) 760-0404

*Attorneys for Appellees*

HTC AMERICA, INC. and HTC  
CORPORATION

April 23, 2018

**CERTIFICATE OF INTEREST**

Counsel for Appellees HTC America, Inc. and HTC Corporation hereby certify the following:

1. The full name of every party represented by me is:

HTC America, Inc. and HTC Corporation

2. The name of the real party in interest (if the party named in the caption is not the real party in interest):

N/A

3. All parent corporations and any publicly held companies that own more than 10 percent or more of the stock of the party represented by me are:

HTC America, Inc. is a wholly owned, indirect subsidiary of HTC Corp.

4. The names of all law firms and the partners and associates that have appeared for the party in the lower tribunal or are expected to appear for the party in this court and who are not already listed on the docket for the current case are:

Colin B. Heideman and Craig S. Summers of Knobbe, Martens, Olson & Bear, LLP

5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal:

None

KNOBBE, MARTENS, OLSON & BEAR, LLP

April 23, 2018

By: /s/ Irfan A. Lateef  
Irfan A. Lateef

*Attorney for Appellees*

## TABLE OF CONTENTS

|  | <b>Page No.</b> |
|--|-----------------|
| I. INTRODUCTION .....  | 3               |
| II. COUNTERSTATEMENT OF THE CASE .....   | 5               |
| A. The '941 Patent .....   | 5               |
| B. The District Court Proceedings Below .....  | 7               |
| III. SUMMARY OF THE ARGUMENT.....  | 11              |
| IV. ARGUMENT.....  | 14              |
| A. Standard of Review .....  | 14              |
| B. Legal Standard.....   | 14              |
| V. THE DISTRICT COURT CORRECTLY HELD THAT ALL CLAIMS ARE INVALID UNDER SECTION 101. .... | 17              |
| A. The '941 Patent Claims Are Directed to an Abstract Idea.....                          | 17              |
| 1. The District Court Did Not Ignore the Text of the Claims. ....                        | 18              |
| 2. The District Court Did Not Ignore the Specification. ....                             | 20              |
| 3. <i>DDR Holdings, Enfish, McRo, and Trading Techs</i> Are Inapposite.....              | 21              |
| 4. The '941 Patent Claims Are Not Directed to a Change to Computer Hardware.....         | 24              |
| 5. The '941 Patent Uses a Conventional Computer Merely as a Tool. ....                   | 26              |
| 6. The '941 Patent is Not Directed Toward a Technological Improvement. ....              | 27              |

**TABLE OF CONTENTS**  
**(Cont'd)**

|  | <b>Page No.</b> |
|--|-----------------|
| 7. The District Court Properly Analyzed the Representative Claim. ....                                       | 31              |
| B. The '941 Patent Claims Do Not Recite an Inventive Concept. ....   | 32              |
| 1. Claim 1 Fails to Recite Significantly More than the Abstract Idea .....                                   | 33              |
| 2. The Patent Office Record Does Not Provide an Inventive Concept. ....                                      | 35              |
| 3. Novelty Alone Does Not Make a Claim Patent-Eligible. ....   | 36              |
| 4. The District Court Properly Understood the Scope of Claim 1. ....   | 37              |
| VI. THE DISTRICT COURT DID NOT ERR BY DECIDING PATENT ELIGIBILITY ON THE PLEADINGS. ....                     | 38              |
| VII. CLAIMS ARE NOT PATENT-ELIGIBLE SIMPLY BECAUSE THEY PREEMPT FEWER THAN ALL APPLICATIONS OF AN IDEA. .... | 41              |
| VIII. CONCLUSION .....   | 42              |
| CERTIFICATE OF COMPLIANCE. ....  | 45              |

**TABLE OF AUTHORITIES**

|  | <b>Page No(s).</b> |
|--|--------------------|
| <i>Accenture Glob. Servs., GmbH v. Guidewire Software, Inc.</i> ,<br>728 F.3d 1336 (Fed. Cir. 2013) .....                              | 8, 16, 20, 21, 32  |
| <i>Affinity Labs of Tex., LLC v. DIRECTV, LLC</i> ,<br>838 F.3d 1253 (Fed. Cir. 2016) .....  | <i>passim</i>      |
| <i>Alice Corp. Pty. Ltd. v. CLS Bank Int’l</i> ,<br>134 S. Ct. 2347 (2014).....  | <i>passim</i>      |
| <i>Ancora Techs., Inc. v. Apple, Inc.</i> ,<br>744 F.3d 732 (Fed. Cir. 2014) .....   | 1, 25              |
| <i>Ariosa Diagnostics, Inc. v. Sequenom, Inc.</i> ,<br>788 F.3d 1371 (Fed. Cir. 2015) .....  | 41, 42             |
| <i>Bancorp Servs., LLC v. Sun Life Assurance Co. of Canada</i> ,<br>687 F.3d 1266 (Fed. Cir. 2012) .....                               | 20                 |
| <i>Bascom Glob. Internet Servs., Inc. v. AT&amp;T Mobility LLC</i> ,<br>827 F.3d 1341 (Fed. Cir. 2016) .....                           | 33, 34             |
| <i>Berkheimer v. HP Inc.</i> ,<br>881 F.3d 1360 (Fed. Cir. 2018) .....   | 40, 41             |
| <i>Bilski v. Kappos</i> ,<br>561 U.S. 593 (2010).....  | 14, 26             |
| <i>buySAFE, Inc. v. Google, Inc.</i> ,<br>765 F.3d 1350 (Fed. Cir. 2014) .....   | 37, 39             |
| <i>Content Extraction &amp; Transmission LLC v. Wells Fargo Bank</i> ,<br><i>Nat’l Ass’n</i> ,<br>776 F.3d 1343 (Fed. Cir. 2014) ..... | <i>passim</i>      |
| <i>CyberSource Corp. v. Retail Decisions, Inc.</i> ,<br>654 F.3d 1366 (Fed. Cir. 2011) .....   | 25                 |

# 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.