

October 11, 2016

Hon. Rodney Gilstrap  
United States District Court for the Eastern District of Texas  
Sam B. Hall, Jr. Federal Building and United States Courthouse  
100 East Houston Street  
Marshall, TX 75670

Re: *Uniloc USA, Inc., et al. v. Salesforce.com, Inc.*, No. 2:16-cv-744

Dear Judge Gilstrap:

The parties submit this joint letter pursuant to the Court's Standing Order Regarding Motions under 35 U.S.C. § 101.

### **I. Plaintiffs Position: Claim Construction Is Necessary To Inform The Court's § 101 Analysis**

Salesforce filed a motion to dismiss Uniloc's complaint, arguing that all (including unasserted) claims are invalid under 35 U.S.C. § 101. *See* Dkt. No. 24 ("Motion" or "Mot."). Claim construction is necessary to determine whether the Asserted Patents<sup>1</sup> contain patent-eligible subject matter. *See Bancorp Servs., L.L.C. v. Sun Life Assur. Co. of Canada*, 687 F.3d 1266, 1273-74 (Fed. Cir. 2012) ("[claim construction] will ordinarily be desirable – and often necessary – to resolve claim construction disputes prior to a §101 analysis."). The inquiry under *Alice* is whether "the claims at issue" are directed to an abstract idea, and, if so, whether "the elements of each claim both individually and 'as an ordered combination'" transform the nature of the claim into a patent-eligible application. *Alice Corp. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2355 (2014). Conducting that claim-by-claim, element-by-element inquiry would benefit from a fuller record in this case as the claims are specific to problems in application management within networks.<sup>2</sup>

The Asserted Patents relate to network management and application management when users roam on a computer network from computer to computer. Salesforce argues that: (1) all of the claims of the Asserted Patents are directed to abstract ideas (Mot. at 9-22), and (2) all claims fail to recite inventive concepts (*id.* at 23-29). Salesforce's arguments are based on an overly-broad claim construction disregarding the explicit problem of application management for roaming users in computer networks to which the claims are directed. For example, as to the '293 Patent, Salesforce argues that the claims cover "the abstract idea of a centralized distribution model for distributing a product or service from a central source to end-users." Mot. at 19. However, the asserted claims of the '293 Patent recite elements such as: "network management server," "on-demand server," "a segment configured to initiate registration operations," "application program" and "file packet," that are terms material to the claims and, thus, require construction.

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<sup>1</sup> U.S. Patent Nos. 6,324,578 ("the '578 Patent"), 6,510,466 ("the '466 Patent"), 7,069,293 ("the '293 Patent") and 6,728,766 ("the '766 Patent")

<sup>2</sup> Courts in this district have routinely denied Rule 12 motions made on §101 grounds as premature. *See, e.g., Phoenix Licensing, LLC, et al. v. Advance America, Cash Advance Centers, Inc.*, 2:15-cv-01375, Dkt. No. 25 (E.D. Tex. Sept. 30, 2016); *Wetro Lan LLC v. Phoenix Contact USA Inc.*, 2016 U.S. Dist. LEXIS 41012 \*9-11 (E.D. Tex. Mar. 29, 2016).

Salesforce’s argument that the above terms merely represent abstract ideas is inapposite, as it reads out inventive concepts to particular problems in network and application management; construction is thus required. The foregoing terms must be construed to give the claims proper context and meaning. Interpreting the interaction of these features as an abstract idea is simply unreasonable. *See, Genband USA LLC v. Metaswitch Networks Ltd.*, No. 2:14-cv-33-JRG, Dkt. No. 582 (E.D. Tex. Sep. 29, 2016). In *Genband*, one of the claims was directed to first and second protocol agents working in IP telephony devices to communicate using a third protocol. *Id.* at 73-74. The Court rejected defendants’ arguments that the claim covered an abstract idea. *Id.* As in *Genband*, the claims of the ’293 Patent reciting the above elements “are not abstract but rather specific components that have a concrete nature and perform specific functions within a network.” *Id.* at 76.

The ’293 Patent, as well as the other Asserted Patents, solve particular problems in the computer field, thus rendering them patent eligible. *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1259 (Fed. Cir. 2014) (upholding a claim as a patent-eligible inventive concept where the claimed solution was “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks” because “it amount[ed] to an inventive concept for resolving this particular Internet-centric problem”). For example, the ’293 Patent solves a longstanding problem in the industry for roaming users on networks so as to provide hardware portability by distributing application programs registered at on-demand servers according to client machine characteristics across heterogeneous networks. The solutions of the ’293 Patent, as well as the other Asserted Patents, significantly improve mobility and hardware portability of the application programs, specifically in networks with roaming users on different machines.

Each of the terms of the ’293 Patent, as well as the other Asserted Patents, are intended to place meaningful limits on claims that distinguish the claimed inventions from the prior art and are relevant – at a minimum – to the Court’s second-step determination of whether the elements transform the nature of the claim into a patent-eligible application. For example, the claim element “a segment configured to initiate registration operations” of the ’293 patent includes “an import data file and a call to an import program executing on a target station.” This is a solution to the longstanding problem of roaming users in networks as described above. As the ’293 patent describes, “a profile manage import call is included in the distributed file packet along with an import text containing the data required to properly install and register the application program on the on-demand server and make it available to authorized users.” The presence of the above language in the ’293 specification “is the single best guide to the meaning of the claim terms (*Phillips*, 415 F.3d at 1318). As there are clearly factual disputes regarding the proper context and meaning of this and other disputed elements, construction of the asserted claims is required.<sup>3</sup>

For example, as to the ’466 Patent, Salesforce argues that the claims cover “the [abstract] idea of providing customers with a list of products or services being offered.” Mot. at 10. The asserted claims of the ’466 Patent recite material elements such as: “installing a plurality of application programs at the server,” “login request,” “user desktop,” “plurality of display regions” and “application management information,” that require construction. As to the ’578 Patent, Salesforce argues that the claims cover “the abstract idea of customizing a product based on a customer’s preferences while also accounting for the business’ preferences.” Mot. at 14. The asserted claims of the ’578 Patent again recite material elements such as: “application program,”

<sup>3</sup> There are also numerous means plus function terms found in the Asserted Patents that need to be construed.

“configurable preferences,” “application launcher program,” “user set,” “executing the application launcher program,” “administrator set,” “configuration manager program” and “instance,” that require construction. As to the ’766 Patent, Salesforce argues that the claims cover “the abstract idea of controlling through a policy who does and does not have access to a product or service, and informing customers whether or not they have such access.” Mot. at 17. The asserted claims of the ’766 Patent recite material elements such as: “license management policy,” “license management server,” “administrative policy override definition,” “user policy override definition” and “on-demand server,” that require construction. There are also numerous means plus function terms found in claims 7 and 13 that need to be construed.

The asserted claims are directed to particular methods and apparatuses that represent specific solutions to problems identified in the Asserted Patents. Thus, Uniloc requests that the Court defer deciding the Motion until the completion of claim construction.

## II. Defendant’s Position: No Claim Construction Can Render Plaintiff’s Claims Patentable

While the Court’s standing order does not require Uniloc to propose all of its claim constructions at this stage, Uniloc must do more than simply list claim terms for each patent-in-suit and then state without support that each term “requires construction.” Patents whose claims “require construction” are still appropriately invalidated at the pleading stage if the claims would still be directed to ineligible subject matter even if construed as a patentee suggests. *See, e.g., Preservation Wellness v. Allscripts Healthcare*, 2:15-cv-1559-WCB, 2016 WL 2742379, at \*6 (E.D. Tex. May 10, 2016); *Rothschild Location Techs. LLC v. Geotab USA, Inc.*, 6:15-cv-682-RWS-JDL, 2016 WL 3584195, at \*4 (E.D. Tex. January 4, 2016). Uniloc should have (a) identified evidence from the specifications or file histories that shows *why* certain terms need construction, and (b) explained *how* the construction of those terms would materially affect the §101 analysis. The former would have allowed the Court to test Uniloc’s assertion that its claims require construction; the latter would have enabled the Court to assess whether such constructions, even if available, compel deferring entry of judgment under § 101. That Uniloc did neither shows that assessing the invalidity of the patents-in-suit does not require construction.

In addition to this letter, Uniloc already received—and declined—an opportunity to identify evidence its patent terms require construction. In *Uniloc USA v. BitDefender Holding*, No. 16-cv-394-RWS (E.D. Tex.), Uniloc opposed a motion to dismiss two of the four patents asserted here. Rather than identify any evidence its claims warrant construction, or a single proposed construction that would, if adopted, limit the claims to patentable subject matter, Uniloc relied on the plain language of the claims to assert patentability. *See* 16-cv-394 (RWS) D.I. 26 at 9–12, D.I. 32 at 8–9. Notably, Uniloc’s prior briefing discussed many of the very same terms Uniloc identifies here as requiring construction, yet Uniloc never argued that those terms required a specialized construction. *See id.*, D.I. 26 at 11, 15.<sup>4</sup> Uniloc also presented no argument that construction of any means-plus-function limitations was material to validity under § 101.<sup>5</sup>

In fact, the intrinsic evidence supports Salesforce’s position that the claims in this suit require no specialized constructions. For example, while Uniloc argues the ‘293 Patent’s term “application program” requires construction, the specification gives an expansive definition, stating: “the term ‘application program’ generally refers to code associated with the underlying program functions.” (‘293 Patent 14:27-29). As to the ‘578 Patent, Uniloc argues that terms like “configurable preferences,” “user set,” and “administrator set” require construction. Yet the

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<sup>4</sup> Uniloc’s absence of explanation is in sharp contrast with the cases it cites for the proposition that courts “routinely” await claim construction to decide § 101 motions. First, in *Wetro Lan*, the patentee had “proposed a construction . . . through its expert witness” and the defendant had “not responded with specificity”; here, Uniloc has not explained why construction could be necessary, let alone proposed a construction via an expert. 2016 WL 1228746, at \*4. Second, *Phoenix* depended on a ruling in a prior case in which contentious claim construction briefing had already been submitted. *See* No. 14-cv-965, D.I. 184 at 3-4. Here, no such claim construction disputes exist; even viewing the claims most favorably to Uniloc, the §101 analysis remains unchanged.

<sup>5</sup> As this court has noted, “the mere presence of means plus function terms does not require a deferred ruling on validity under § 101.” *See Landmark Tech., LLC v. Assurant, Inc.*, No. 6:15-CV-76-RWS-JDL, 2015 WL 4388311, at \*3 (E.D. Tex. July 14, 2015).

specification never defines or limits the term “preference,” and in fact explains that “[t]he designation of user versus administrator settable preferences may be established by the software designer providing the configurable application program.” (‘578 Patent 9:5-29). Thus, a user set of preferences is just a set of preferences that a software designer established as “user . . . settable,” and an administrator set those which are “administrator settable.” This is the very sort of “wholly subjective” and “qualitative” distinction that this Court has found unable to salvage an abstract claim. *Intellectual Ventures I LLC v. J. Crew Grp., Inc.*, No. 6:16-CV-196-JRG, 2016 WL 4591794, at \*5 (E.D. Tex. Aug. 24, 2016). Given the patents’ use of broad, generic computing terms, Uniloc’s analogy to *Genband* (a case decided *after trial* and irrelevant to whether to proceed with Section 101 analysis at the *pleading* stage) is inapposite, as that case concerned patents “meaningless outside the context of a computer network that uses specific [telephony technology],” whereas here the patents are drawn to *any* computer network. No. 2:14-cv-33-JRG, Dkt. No. 582 at 75-76.

For the sole term for which *Uniloc* provides any level of detail—“a segment configured . . .” from the ‘293 patent—Uniloc does no more than identify an allegedly relevant passage from the specification, and assert that as a result “there are clearly factual disputes regarding the proper context and meaning of this” term. Uniloc does not explain what those disputes are, how the cited passage indicates the term needs to be construed, or what an alleged construction could be.

More importantly, neither in this letter nor its briefing in *BitDefender* does Uniloc explain how a narrow construction, even if adopted, would make its claims any less abstract. *See CyberFone Sys., LLC v. CNN Interactive Grp., Inc.*, 558 F. App’x 988 (Fed. Cir. 2014) (affirming decision not to engage in claim construction before deciding § 101 eligibility where patentee did not explain “how the analysis would change” with construction). Uniloc’s citation to *Bancorp* is misplaced given that, there, the Federal Circuit *invalidated* patents under § 101 because “insignificant computer-based limitations,” like those at issue here, even adopting the patentee’s constructions, did not transform the claims into a patentable invention. 687 F.3d at 1279–81.

Uniloc’s claims do no more than apply known ideas to computer environments. “No matter what construction the Court adopts the substance of the claims is the same.” *Asghari-Kamrani v. United Servs. Auto. Ass’n*, No. 2:15CV478, 2016 WL 3670804, at \*6 (E.D. Va. July 5, 2016). For example, ‘766 patent claim 1 addresses the conventional problem of controlling access to products (like a video store policy), and then applies the conventional solution of implementing policies and communicating results. Even if the intrinsic evidence limited terms such as “license management server” and “license management policy” to particular computers (such as a “Tivoli™ server”) and data structures (such as “TME 10™ from Tivlo Systems, Inc.”), the patent is still just an application of generic computer technology. *See* ‘766 patent col. 6:63-7:11; *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat’l Ass’n*, 776 F.3d 1343, 1349 (Fed. Cir. 2014). The same is true for the “segment configured . . .” limitation, in which the claimed method would at best be limited to use of a prior art “PMIImport applet of the eNetwork On-demand server” to implement the abstract idea of a centralized distribution of a product or service. ‘293 patent col. 17:38-54. Likewise, a narrow construction of the ‘466 Patent claims might limit the claimed method to distribution of particular application programs via a specific “user desktop interface” such as a “web browser,” the underlying method, *i.e.*, providing a list of offered products, would remain abstract and lack an inventive step. *See* ‘466 patent col. 4:50-53.

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