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

Uniloc USA, Inc. *et al.*,	)	
	)	
Plaintiffs,	)	
	)	No. 2:16-cv-741-JRG
v.	)	LEAD CASE
	)	
ADP, LLC, *et al.*,	)	
	)	
Defendants.	)	
	)	

BLACKBOARD'S MOTION TO DISMISS FOR FAILURE TO STATE A CLAIM AND IMPROPER VENUE

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Pursuant to Federal Rules of Civil Procedure 12(b)(6) and 12(b)(3), Defendant Blackboard Inc. ("Blackboard") moves to dismiss the claims against it by Plaintiffs Uniloc USA, Inc. and Uniloc Luxembourg, S.A. (collectively, "Uniloc") for failure to state a claim upon which relief can be granted and for improper venue.

I. INTRODUCTION

Uniloc's asserted patents should be found subject matter ineligible under 35 U.S.C. under 35 U.S.C. § 101 because they attempt to monopolize, without contributing any technical innovation, longstanding ideas about how businesses manage and interact with their customers. Businesses have long been communicating with their customers so that they can provide their services to their customers. The asserted patents are drawn to precisely abstract concepts of this sort.

Specifically, the '466 patent is directed to providing customers with a list of available products or services from which the customer can select which product or service it wants; the '578 patent is drawn to tailoring a product or service to each customer's preferences; and the '293 patent is directed to centralized distribution of a product or service.[1] Accordingly, none of the patents in suit is "directed to an improvement in the functioning of a computer," but rather, they are drawn to "well-known business practices." *See In Re TLI Commc'n LLC Patent Litig.*, 823 F.3d 607, 612 (Fed. Cir. 2016) (internal quotation marks omitted). As such, each one of the patents in suit is directed to an abstract idea.

[1] Each of the patents-in-suit is attached to Uniloc's Amended Complaint as an exhibit. The '466 and '293 patents share the same specification. In addition, the '578 patent incorporates by reference the '466 and '293 patents, and vice versa. '466 patent at col. 7:41-48. Accordingly, even though citations herein may be to only one of the asserted patents, this is for readability only, since the same disclosure is found in all three patents.

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Moreover, the patents in suit couch this abstract idea in generic software and computer networking technology; however, simply reciting in the claims such generic computing technology is insufficient to confer subject matter eligibility. *See Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2358 (2014) ("[T]he mere recitation of a generic computer," or "limiting the use of an abstract idea to a particular technological environment," cannot "transform a patent-ineligible abstract idea into a patent-eligible invention.") (internal citations omitted). Here, none of the patents in suit claim "a technical improvement over prior art ways of" implementing the business practices they describe, and therefore do not transform the abstract idea into patentable technological applications. *See Bascom Global Internet Servs, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1351 (Fed. Cir. 2016) (emphasis added). Uniloc's claims against Blackboard should therefore be dismissed.

Uniloc's claims against Blackboard should also be dismissed for improper venue, if the Supreme Court reverses *In re TC Heartland LLC*, 821 F.3d 1338 (Fed. Cir. 2016).

II. STATEMENT OF THE ISSUES

1. Whether the pertinent claims of the asserted patents are drawn to patent-ineligible subject matter under 35 U.S.C. § 101.

2. Whether the claims against Blackboard should be dismissed for improper venue because 28 U.S.C. § 1400(b) is the exclusive provision governing venue in patent infringement actions and is not supplemented by 28 U.S.C. § 1391(c).

III. FACTUAL AND PROCEDURAL BACKGROUND

A. The Asserted Patents Recognize That Networked Computing Employed by the Patents Already Existed at the Time of the Alleged Invention.

Each of the patents in suit "relates to network management in general and in particular to application program management on a computer network." '578 patent at col. 1:22-24; '466

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patent at col. 1:21-23; '293 patent at col. 1:24-26. Sharing disclosure, each of the patents in suit is directed to various embodiments of such application program management on a computer network. Common to them all is the use of an "on-demand" server for distribution of application programs. '578 patent at col. 3:50-55; '466 patent at col. 3:55-60; '293 patent at col. 3:58-63. Each of the patents in suit is more particularly directed to variations on this common construct of an on-demand server for distribution of application programs. '578 patent at col. 3:55-4:2 ("configurable preferences"); '466 patent at col. 3:60-4:9 ("selection" of an application program and "license" determination); '293 patent at col. 4:13-26 (use of "file packages (packets)" to distribute application programs).

The patents in suit do not purport to make technical improvements to conventional on-demand servers or conventional client computers. In fact, the asserted patents explicitly note that "operations according to the present invention may be realized in the hardware of ***existing*** on-demand servers," '578 patent at col. 14:51-53, '293 patent at col. 21:10-12 (emphasis added).[2] The term "existing on-demand server" in the asserted patents refers to a server delivering applications "as needed responsive to user requests as requests are received," consistent with the ordinary meaning of the term in the art. '578 patent at col. 6:51-53, '293 patent at col. 6:65-67. Similarly, the conventional client computers that are recited in the claims of the asserted patents "may be hardware from a variety of designers operating a variety of different operating systems." '578 patent at col. 6:60-62, '293 patent at col. 7:7-9. Thus, the patents acknowledge that the named inventors did not create "the modern distributed processing computer environment" using conventional on-demand servers and conventional client computers. '578 patent at col. 1:44-57, '293 patent at col. 1:47-59.

[2] As the '293 patent is a divisional of the '466 patent, citations to the '293 patent also refer to the disclosure of the '466 patent, and vice versa.

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Using conventional on-demand servers and conventional client computers, the asserted patents do not describe or claim any technical improvements over prior art systems for achieving desirable outcomes, including managing a large number of diverse users, providing easy access and personalized options to authorized users, and keeping out unauthorized users. Instead, the patents only reiterate these desired outcomes without describing any specific technical improvements. Confirming the patents' lack of technical contribution to the art, the patents in suit identify commercially-available software and servers (which the named inventors do not purport to have invented). *See* '466 patent, col. 16:56-60 ("Server system 22, as described previously, may be configured to operate in a TivoliTM environment…."), col. 2:7-11 ("[T]he Tivoli Management Environment (TME) 10™ system from Tivoli Systems, Inc. provides a software distribution feature which may be used to transmit a file package to client and server stations on a network from a central Tivoli™ server"); '578 patent at 2:6-9 ("TivoliTM server 20 provides a means for software distribution and management in computer network system 10."); 7:9-10 ("TivoliTM server 20 provides a means for software distribution and management in computer network system 10.").

Exemplifying a description of functional results without a specific technical improvement in servers or client computers, the asserted patents state that one of "the challenges for a network administrator [is] in maintaining proper licenses for existing software" ('466 patent at col. 1:52-56) and purport to "provide for license use management by determining license availability before initiating execution of the application program" ('466 patent, at Abstract). The patents, however, provide no details of how this is accomplished, and instead only disclose, for example in relation to Figure 7 of the '466 and '293 patents, the functional result that "the server system

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