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IP CASE OF THE WEEK

Windy City's Patent Could Not Weather The *Alice* Storm

Windy City Innovations, LLC v. Facebook, Inc., 411 F. Supp. 3d 886 (N.D. Cal. 2019), aff'd, No. 2020-1153, 2021 WL 423151 (Fed. Cir. Feb. 8, 2021)

By: Adam Reis & Nick Wheeler | February 12, 2021

Windy City Innovations, LLC ("Windy City"), assignee of U.S. Patent No. 8,458,245 (the "245 patent") entitled "Real Time Communications System," brought a patent infringement action against Facebook Inc. ("Facebook") for alleged infringement of the '245 patent. Facebook filed for summary judgment on grounds that the '245 patent was invalid under Section 101 of the Patent Act. The Northern District of California granted Facebook's summary judgment on invalidity under section 101 as the Court found the '245 patent directed to an abstract idea and thus invalid under the Supreme Court's *Alice* test. Recently, the Federal Circuit in a one-line opinion, affirmed the District Court's opinion.

The '245 patent is directed to an online chat system. Facebook alleged representative claim 19 was directed to the abstract idea of sending a message, determining how to display it, and locating the means to display it by using nothing more than "generic components." Windy City responded that claim 19 recited a specific apparatus that improved upon specific internet communication technologies in non-abstract and unique ways. The District Court examined claim 19 under the Supreme Court's two part test stated in *Alice*.[1] Under the first step of *Alice*, courts examine whether the claims at issue are directed to a law of nature, natural phenomena, or abstract ideas.[2] It is well established that the mere use of computers in this analysis does not turn an abstract idea into patent eligible subject matter. In the second step, courts must examine the elements of the claims individually or "as an ordered combination" to see if these elements "transform the nature of the claim" into a patent-eligible application of the abstract principle."[3]

In applying the two-part *Alice* test, the Court found Claim 19's "apparatus" elements to include "a computer system, a plurality of participating computers, a database with tokens to control access to information for participator computers, and private messages containing 'pointers' directing to pre-stored data."[4] The Court stated these elements were directed to an abstract idea as the claim at its core was about "communicating a message from a sender to a recipient via a computer network, and the recipient obtaining the means to display the message, as necessary."[5] Windy City argued the background, summary, and specification of the patent negated any notion claim 19 was an abstract idea. The Court disagreed and found these sections only further highlighted how abstract the claims were, specifically noting the discrepancy between the specification and the language of the claims.

In regard to step two of the *Alice* test, Windy City tried to argue claim 19 was not well-understood, routine, or conventional, because Facebook could not provide evidence that the combination of steps in claim 19 were "'commonly used' at the time of the invention."[6] The Court stated that Windy City had confused "novelty with inventiveness" and even if a claimed abstract idea was novel and non-obvious, the claim would not be saved from ineligibility. The Court found claim 19 to be nothing more than an instruction to use conventional elements to achieve a usual result.[7] In light of this analysis, the Court found the '245 patent invalid as ineligible patent subject matter.

This case demonstrates alleged infringers still have a strong defense in *Alice* against patent owners. On the other hand, patent owners must be vigilant in drafting patents to avoid any future *Alice* issues.

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[1] *Alice Corp. Pty. v. CLS Bank Int'l*, 573 U.S. 208 (2014).
[2] 411 F. Supp. 3d at 894.
[3] *Id.*
[4] *Id.* at 897.
[5] *Id.* at 898.
[6] *Id.* at 901.
[7] *Id.* at 904.