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District Court Dismissed Infringement Claims Regarding Online Video Streaming Because the Patents Recited Patent-Ineligible Abstract Ideas

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Judge Cronan in the Southern District of New York (S.D.N.Y.) recently granted a motion to dismiss Plaintiff's complaint because the patents-in-suit are directed to patent-ineligible subject matter under 35 U.S.C. § 101. The patents are directed to online video streaming. The court found the claims unpatentable because they recite abstract ideas of reformatting and recording data and transmitting audiovisual data.

Diatek Licensing LLC v. AccuWeather, Inc., No. 21 Civ. 11144 (JPC) (S.D.N.Y.).

Plaintiff Diatek Licensing sued AccuWeather for infringing U.S. Patent Nos. 7,079,752 and 8,195,828. The patents are directed to inventions that allow digital video to be displayed using "trick modes," such as rewind, fast forward or freeze frame. Claim 1 of the '752 patent recites a process for recording a scrambled digital video stream that includes descrambling the scrambled data to extract additional data corresponding to information required by a "trick mode." Claim 1 of the '828 patent recites a method for discontinuous transmission of encoded video data, including the creation and transmission of an HTTP GET request for requesting a fast search operation of a video stream, and discontinuous transmission of selected video frames in a HTTP response using an extended HTTP chunked transfer encoding mode.

The court analyzed eligibility using the Supreme Court's two-step *Alice* framework. In step one, a court determines whether the claims are "directed to a patent-ineligible concept," such as an abstract idea. *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208, 217 (2014). If they are, the court proceeds to step two and considers "the elements of each claim both individually

and 'as an ordered combination' to determine whether the additional elements 'transform the nature of the claim' into a patent-eligible application." *Id.* (citing *Mayo Collaborative Servs. et al. v. Prometheus Laby's., Inc.*, 566 U.S. 66, 78-79 (2012)).

The '752 Patent

Addressing *Alice* step one for the '752 patent, the court found that the focus of the claimed advance over the prior art is displaying a scrambled video recording in a "trick mode" (fast forward, fast rewind, slow motion, etc.). Plaintiff argued that the claim is not merely directed to extracting and recording data because it requires "additional data" corresponding to information required by the trick mode. The court, however, concluded that the claim uses "result-based functional language" and "does not disclose any specific technological innovation in what data is extracted or how it is extracted and stored." In other words, the claims recite the desired result instead of a particular way of achieving it.

The court found that the claims were similar to the claims in *Adaptive Streaming Inc. v. Netflix, Inc.*, 836 F. App'x 900 (Fed. Cir. 2000). In *Adaptive Streaming*, the patent was directed to a system that analyzes an incoming visual signal, transcodes it into a readable format, and then broadcasts the signal to a device in the new format. The court likened the '752 patent to the patent-ineligible claims in *Adaptive Streaming* because it does not require any "specific technique" such as "specific advance coding or other techniques for implementing" the claimed process and instead focuses on the abstract idea of extracting and recording data.

Addressing *Alice* step two, the court decided that the '752 patent does not recite any inventive concept because it merely recites "well-understood, routine, and conventional activities previously known to the industry." The claims refer generically to "recording," "descrambling" or "extracting" without disclosing how these techniques are implemented. The court also found no "plausible and specific factual allegations that aspects of the claims are inventive" sufficient to overcome a Rule 12(b)(6) motion because the complaint contained only conclusory allegations that the claims were not well understood, routine and conventional.

The '828 Patent

Addressing *Alice* step one for the '828 patent, the court found that the claimed advance over the prior art is solving the problem of extending the transport mechanism based on the HTTP-GET method to implement "trick modes" in the transmission of data streams. Plaintiff

argued that the claims were directed to a new type of HTTP GET request, but the court found that the claims do not identify specifically how an HTTP GET request may be modified. Instead, the claims recite a desirable function or result of an HTTP GET request that has been modified. Because the claims recited a "mere result" without reciting a particular way of achieving it, the court concluded that the claims were directed to an abstract idea of transmitting audiovisual data.

The court compared the claims of the '828 patent to the claims in *Hawk Technology Systems, LLC v. Castle Retail, LLC*, which the Federal Circuit found to be directed to the abstract idea of storing and displaying video. No. 2022-1222, 2023 WL 2054379, at *1-5 (Fed. Cir. Feb. 17, 2023). Like the '828 patent, the patent in *Hawk Technology* disclosed a method in which certain parameters were defined and then employed to request and transmit audiovisual data. And while the claims in *Hawk Technology* did recite an improved function, they failed to recite a specific solution to make the alleged improvement "concrete." *See id.* at *6. The court found that, similarly, because the claims of the '828 patent recite only the improvements of allowing trick modes to be requested with the HTTP GET method, without specific steps making concrete how to achieve that improvement, it too is directed to an abstract idea.

Addressing *Alice* step two, the court found that the claims recite standard, generic activities such as the "creation of an HTTP GET request" and the "transmission of the HTTP GET request." The court noted that while the '828 patent does disclose that "chunked HTTP GET transmission should include one complete respective selected encoded video frame in a second part and information about a starting time," it recites no technical details as to how to implement the inclusion of this information and, thus, recites no inventive concept. The court again found no factual allegations in the complaint from which one could plausibly infer an inventive concept.

Practice Tip: Patent Owners should avoid describing and claiming the advance over the prior art in purely functional terms in a result-oriented way that amounts to encompassing the abstract solution no matter how implemented. Instead, Patent Owners should describe and claim technical details for tangible components in the claimed system, including how the advance over the prior art is implemented. To overcome a Rule 12(b)(6) challenge, Plaintiffs should include in the complaint allegations concerning the state of the prior art and the specific, unconventional limitations that address problems in the prior art.

Categories

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