NOTE: This disposition is nonprecedential.

United States Court of Appeals for the Federal Circuit

CARL M. BURNETT,
Plaintiff-Appellant

v.

PANASONIC CORPORATION, PANASONIC CORPORATION OF NORTH AMERICA, PANASONIC INTELLECTUAL PROPERTY CORPORATION OF AMERICA,
Defendants-Appellees

2018-1234

Appeal from the United States District Court for the District of Maryland in No. 8:17-cv-00236-PX, Judge Paula Xinis.

Decided: July 16, 2018

CARL M. BURNETT, Silver Spring, MD, pro se.

JOSEPH CASINO, Wiggin and Dana LLP, New York, NY, for defendants-appellees. Also represented by MICHAEL J. KASDAN; BENJAMIN M. DANIELS, New Haven, CT.

Before O'MALLEY, CLEVENGER, and REYNA, *Circuit Judges.*

PER CURIAM.

Carl M. Burnett ("Burnett") appeals an order of the United States District Court for the District of Maryland dismissing Burnett's amended complaint for failure to state a claim upon which relief can be granted. *Burnett v. Panasonic Corp.*, No. 17-cv-0236 (D. Md. Nov. 1, 2017) ("*District Court Decision*"). Specifically, because the district court held that claims 1 and 9 of U.S. Patent No. 7,107,286 ("the '286 patent") are invalid as directed to ineligible subject matter under 35 U.S.C. § 101, it concluded that dismissal pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure was appropriate. Burnett argues that the asserted claims are patent-eligible, that the district court erred procedurally when it failed to construe five allegedly disputed claim terms, and that the district court violated Burnett's due process rights when it failed to hold Rule 12(b)(6) and claim construction hearings. We *affirm.*

I

Burnett sued Panasonic Corporation ("Panasonic") for infringement of independent claims 1 and 9 of the '286 patent, which recite:

> 1. A geospatial media recorder, comprising:
>
> converting means for converting longitude and latitude geographic degree, minutes, and

seconds (DMS) coordinate alphanumeric representations or decimal equivalent geographic coordinate alphanumeric representations and altitude alphanumeric representations into individual discrete all-natural number geographic coordinate and measurement representations; and combining means for concatenating the individual discrete all-natural number geographic coordinate and measurement representations into a single discrete all-natural number geospatial coordinate measurement representation for identification of a geospatial positional location at, below, or above earth's surface allowing user to geospatially reference entities or objects based on the identified geospatial positional location and point identification.

* * *

9. A geospatial information processing method comprising:

converting latitude and longitude geographic degree, minutes, and seconds (DMS) coordinate alphanumeric representations or decimal equivalent geographic coordinate alphanumeric representations and altitude alphanumeric representations into individual discrete all-natural number geographic coordinate and measurement representations; and

concatenating the individual discrete all-natural number geographic coordinate and measurement representations into a single

> discrete all-natural number geospatial coordinate measurement representation for identification of a geospatial positional location at, below, or above earth's surface allowing a user to geospatially reference entities or objects based on the identified geospatial positional location and point identification.

'286 patent, col. 13, l. 60–col. 14, l. 9; *id.* at col. 15, ll. 5–21.

Panasonic moved to dismiss for failure to state a claim upon which relief can be granted. In his response to Panasonic's motion to dismiss, Burnett proposed constructions of certain claim terms, which Panasonic did not dispute, Suppl. J.A. 671–672. First, Burnett proposed construing the preamble of claim 1, "geospatial media recorder," as limiting and to mean "[a] video camcorder that has a receiving station to receive geospatial information and a video encoder to encode geospatial information, the GEOCODE®, onto video at the time of video acquisition." Suppl. J.A. at 654. Burnett also proposed construing at least a portion of the preamble of claim 9, "geospatial information," as limiting and to mean "[s]atellite navigation systems data concerning geospatial entities obtained through a variety of methods. . . ." Suppl. J.A. at 653. Next, Burnett proposed construing "concatenating," which appears in both claims, as "[a] programming process that is the operation of joining two strings together. . . ." Suppl. J.A. at 653. Burnett also proposed construing "converting," which appears in both claims, as "[t]he computer

process of taking geospatial positioning representations in Degree-Minute-Second, or Decimal Degree, and altimetric format and other geospatial information and changing these geospatial positioning entities into an all-natural number that can be used to create a geospatial coordinate, the GEOCODE® for use as a data segment or object in geospatial information system processing operations and analysis." Suppl. J.A. at 654. Finally, Burnett proposed construing "geospatial positional location and point identification" as "[t]he vertex of the planular geospatial measurement representations of longitude and/or latitude and/or altitude and/or other measurement representations." Pl.'s Sur-reply in Opp'n to Def.'s Mot. to Dismiss, *Burnett v. Panasonic Corp.*, No. 17-cv-0236, at 15 n. 1 (D. Md. Apr. 21, 2017), ECF No. 23-1.

In its decision, the district court first found that the claims are directed to a patent-ineligible mathematical methodology "for converting geographic coordinates into alphanumeric representations." *District Court Decision*, at 10. Next, the district court found that any additional features of the asserted claims, such as limitations directed to using a computer to implement the mathematical methodology, do not transform the nature of claims into patent-eligible concepts. *Id.* at 11–13. In its analysis, the district court acknowledged and implicitly accepted Burnett's proposed claim constructions. *Id.* at 9 n.6. The district court concluded that the asserted claims are patent-ineligible and dismissed Burnett's amended complaint pursuant to Rule 12(b)(6). Burnett appeals. We have jurisdiction

pursuant to 28 U. S. C. § 1295(a)(1). For the reasons stated below, we find that, even accepting Burnett's proposed constructions, the asserted claims are patent-ineligible.

II

The Fourth Circuit reviews de novo a dismissal under Rule 12(b)(6). *Monroe v. City of Charlottesville, Va.*, 579 F.3d 380, 385 (4th Cir. 2009). "We have held that patent eligibility can be determined at the Rule 12(b)(6) stage," but "only when there are no factual allegations that, taken as true, prevent resolving the eligibility question as a matter of law." *Aatrix Software, Inc. v. Green Shades Software, Inc.*, 882 F.3d 1121, 1125 (Fed. Cir. 2018). Here, the district court appropriately assessed eligibility at the pleading stage because the asserted claims are patent-ineligible even when accepting as true all factual allegations pled in Burnett's amended complaint.[1]

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[1] Burnett's factual allegations include allegations under step two of *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2355 (2014), and extrinsic evidence supporting his proposed claim constructions. When applying step two of *Alice*, we have said that the question of "[w]hether the claim elements or the claimed combination are well-understood, routine, conventional is a question of fact." *Aatrix*, 882 F.3d at 1128. Here, Burnett does not contest that each element of the asserted claims is well-understood, but rather argues that the elements from each claim form new combinations. Appellant Br. 48–53. Burnett also submits extrinsic evidence in the form of dictionary definitions in support of his proposed claim constructions, which the Supreme Court has held can give rise to a factual dispute. *Teva Pharms. USA, Inc. v. Sandoz, Inc.*, 135 S. Ct. 831, 837–38 (2015). None of these factual

Patent-eligible subject matter, as defined in § 101, includes "any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof. . . ." The Supreme Court has long held that "[l]aws of nature, natural phenomena, and abstract ideas" are exceptions to § 101. *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 589 (2013)). These exceptions render ineligible, for example, mathematical formulas. *Gottschalk v. Benson*, 409 U.S. 63, 67 (2012).

We apply a two-step test to determine whether a claim is directed to eligible subject matter. *Alice*, 134 S. Ct. at 2355; *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 75–77 (2012). First, we determine whether the claim is directed to a law of nature, a natural phenomenon, or an abstract idea. *Alice*, 134 S. Ct. at 2355. If so, then we proceed to step two and consider the elements of the 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.* (quoting *Mayo*, 566 U.S. at 78, 79).

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allegations precludes resolution of the eligibility question at the pleading stage because Panasonic does not dispute these allegations, and because we conclude that the asserted claims are patent-ineligible even when accepting the allegations as true.

A

Starting at step one, we agree with the district court's conclusion that the claims at issue are directed to an abstract idea. Both claims 1 and 9 are directed to, first, converting longitude and latitude coordinates into natural numbers—i.e. removing the decimal points and replacing any "+" signs with a "1" and any "–" signs with a 0—and second, concatenating the resulting natural numbers – i.e. joining the strings of resulting numbers together. *See, e.g.*, '286 patent, at col. 12, l. 50–col. 13, l. 14; *id.* at Figure 26. In sum, the claims apply a mathematical methodology to convert geospatial coordinates into a single string of natural numbers.

Like the concept of using a formula to convert binary-coded decimals into pure binary numerals, which the Supreme Court found to be an abstract idea in *Gottschalk*, 409 U.S. at 72, the concept of using a formula to convert geospatial coordinates into natural numbers, if found eligible, "would wholly pre-empt the mathematical formula and in practical effect would be a patent on the algorithm itself." Claims 1 and 9 are both directed to a similarly abstract idea.

Burnett contends that the asserted claims, construed as Burnett proposes, are not directed to a mathematical methodology. For example, Burnett contends that, because his proposed construction of "concatenating" begins with "programming process," it is not a mathematical methodology, but rather a "data programming process." Appellant Br. at 26. We disagree

because each claim, at its core, is directed to an abstract idea. Accepting that the "concatenating" limitation is directed to a "programming process" does not change this result. We have held that a process that starts with data, applies an algorithm, and ends with a new form of data is directed to an abstract idea. *Digitech Image Techs., LLC v. Elecs. for Imaging, Inc.*, 758 F.3d 1344, 1351 (Fed. Cir. 2014). Similarly, here, the "concatenating" programming process merely joins a string of numbers together, constituting the final algorithmic step of converting the geospatial coordinate data into a new form of data. Thus, Burnett's proposed construction of "concatenating" does not change the fact that the claims are directed to an abstract idea.

Next, Burnett argues that his proposed construction of "converting" identifies the term as "a prescriptive step required for data programming process of concatenation." Appellant Br. at 28. That the "converting" step necessarily precedes the "concatenating" step does not change the fact that the claims are directed to an abstract idea. The "converting" step is merely an earlier step in the process of mathematically converting the data into a new form. Thus, the "converting" step also does not transform the mathematical methodology into eligible subject matter because the step amounts to routine data processing.

The remainder of Burnett's arguments related to his proposed claim constructions stand for the proposition that "the claims recite significantly more than the purported idea of a 'mathematical methodology.'" Appellant Br. at 46. But that a claim allegedly contains

more than an abstract idea does not mean the claim survives step one, because, under that inquiry, it is enough that the claims are directed to a mathematical methodology at all; rather, Burnett's argument is more appropriately assessed under our inquiry in step two. *Alice*, 134 S. Ct. at 2355 (assessing under step two whether additional features in a claim transform an otherwise a patent-ineligible concept into a patent-eligible concept).

B

Turning to step two, we ask "[w]hat else is there in the claims before us" and whether those "additional features . . . provide practical assurance that the [claims are] more than a drafting effort designed to monopolize [the abstract idea]." *Mayo*, 566 U.S. at 77, 78. Here, we agree with the district court that the additional features, viewed individually and as an ordered combination, are not "sufficient to transform the nature of the claim[s]." *Id.* at 78.

The only additional features recited in claim 1 are the preamble providing for "[a] geospatial media recorder," '286 patent, at col. 13, l. 60, and the limitation of "allowing user to geospatially reference entities or objects based on the identified geospatial positional location and point identification," *id.* at col. 14, ll. 7–9. Similarly, the only additional features recited in claim 9 are the preamble providing for "[a] geospatial information processing method," *id.* at col. 15, ll. 5, and the limitation of "allowing a user to geospatially reference

entities or objects based on the identified geospatial positional location and point identification," *id.* at col. 15, ll. 19–21.

As the district noted, these additional features effectively do no "more than simply state the [abstract idea] while adding the words 'apply it.'" *Mayo*, 566 U.S. at 72. The preambles of both claims, as construed by Burnett, instruct a user to implement the mathematical methodology or instruct using a "geospatial media recorder" to do the same. Such "wholly generic computer implementation is not generally the sort of 'additional featur[e]' that provides any 'practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself.'" *Alice*, 134 S. Ct. at 2358 (quoting *Mayo*, U.S. at 77); *accord Gottschalk*, 409 U.S at 70–72.

The remaining additional feature, "allowing [a] user to geospatially reference entities or objects based on the identified geospatial positional location and point identification," recited in both claims, similarly does not transform the nature of the claim, and merely recites a potentially useful result of the invention. '286 patent, at col. 14, ll. 7–9, col. 15, ll. 19–21. The prosecution history of the '286 patent is particularly relevant here. During prosecution, the examiner amended claim 1 and claim 12 (renumbered as claim 9 before issuance) by adding the additional feature to bring the claims in compliance with the § 101 standard applied at that time. Suppl. J.A. 24; *see also id.* at 20–23. Under this previous standard, courts and examiners considered whether the claims had a "useful, concrete and

tangible result." *In re Bilski,* 545 F.3d 943, 959 (Fed. Cir. 2008) (en banc). This standard no longer governs. *Id.* at 959–60 (concluding "that the 'useful, concrete and tangible result' inquiry is inadequate. . . ."); *see also Bilski v. Kappos*, 561 U.S. 593, 659 (2010) (Breyer, J., concurring) ("[A]lthough the machine-or-transformation test is not the only test for patentability, this by no means indicates that anything which produces a 'useful, concrete, and tangible results,' is patentable. This Court has never made such a statement and, if taken literally, the statement would cover instances where this Court has held the contrary." (internal quotations and citations omitted)). While this additional feature may demonstrate that the invention produces a useful result, it does not transform the abstract idea into patent-eligible subject matter under the Supreme Court's decision in *Alice.*

Burnett argues that claim 1 "cover[s] a 'combination of elements' that form a new machine, a Geospatial Media Recorder," and that claim 9 covers a "new data programming process. . . ." Appellant Br. at 48. Burnett points to the Supreme Court's decision in *Diamond v. Diehr*, 450 U.S. 175, 188 (1981), for the proposition that "a new combination of steps in a process may be patentable even though all the constituents of the combination were well known and in common use before the combination was made." Burnett argues that, similarly, here, "a media recorder that encode[s] geospatial information as a[n] item of metadata to solve geospatial data communication

problems in video production environments had never before been invented." Appellant Br. at 53.

Burnett is correct that a new combination of steps, though individually ineligible or well-known, can give rise to a patent-eligible claim, but this purportedly new combination must still survive the step two inquiry. As stated above, claim 9 does no more than instruct a user to implement the abstract idea of converting geospatial coordinates into natural numbers, and claim 1 merely provides for a "Geospatial Media Recorder" to implement the same abstract idea. Thus, these purportedly new combinations do not transform the abstract idea into a patent-eligible concept under our precedent.

We have reviewed Burnett's remaining arguments regarding eligibility, and we reject them as both unpersuasive and applying legal standards that no longer govern or that govern outside of the context § 101. *See, e.g.*, Appellant Br. at 32, 51 (citing this court's decision in *In re Alappat*, 33 F.3d 1526 (Fed. Cir. 1994), which was superseded by *Bilksi v. Kappos*, 561 U.S. 593 (2010) and *Alice.*); Appellant Br. at 34, 51 (citing this court's decision in *WMS Gaming Inc. v. International Game Technology.*, 184 F.3d 1348 (Fed. Cir. 1999), which does not address patent eligibility).

III

Burnett also argues that the district court erred when it failed to construe allegedly disputed claim terms, and that it violated Burnett's due process rights when it failed to hold claim construction and 12(b)(6)

hearings prior to dismissing Burnett's amended complaint. The district court did not need to hold a claim construction hearing or issue a claim construction order because Panasonic did not dispute Burnett's proposed constructions, Suppl. J.A. 671–672, and because the asserted claims are patent-ineligible even in view of Burnett's proposed constructions. Moreover, "[t]here is no requirement . . . that a district judge hold a hearing prior to ruling on a motion to dismiss." *Pueschel v. United States*, 369 F.3d 345, 354 (4th Cir. 2004). Therefore, the district court did not err procedurally, nor did it violate Burnett's due process rights.

IV

For the reasons stated above, we *affirm* the district court's order dismissing Burnett's amended complaint, holding that claims 1 and 9 of the '286 patent are ineligible.

AFFIRMED

COSTS

No costs.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

CARL M. BURNETT	*	
Plaintiff,	*	
v.		
PANASONIC CORPORATION OF NORTH, AMERICA, and PANASONIC INTELLECTUAL PROPERTY CORPORATION OF AMERICA	*	Civil Action No. PX 17-00236
Defendants.	*	

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MEMORANDUM OPINION

(Filed Nov. 1, 2017)

Pending in this patent infringement suit is Panasonic Corporation of North America and Panasonic Intellectual Property Corporation of America's ("Defendants") Motion to Dismiss for Failure to State a Claim filed March 9, 2017. ECF No. 15. Plaintiff Carl M. Burnett ("Plaintiff") opposed the Motion on March 24, 2017 (ECF No. 17) to which Defendant replied on April 10, 2017. ECF No. 20. Given the complexity of the issues involved, Plaintiff was given leave to file a surreply, ECF No. 23, as were Defendants, ECF No. 28. The issues are fully briefed, and the Court now rules pursuant to Local Rule 105.6 because no hearing is necessary. For the reasons stated below, the Defendants' Motion to Dismiss is granted.

I. Background

The following facts are drawn from the Amended Complaint and taken as true for purposes of this opinion. Plaintiff is an information technologist and owner of two patented "geospatial technologies," U.S. Patent No. 6, 681,231 (the "'231 Patent") and U.S. Patent No. 7,107,286 (the "'286 Patent"). ECF No. 12-2 at 1-2. Since the '286 Patent was issued by the USPTO in September 2006, ownership of the '286 Patent has been transferred four or more times, but at all times both patents were retained by the Plaintiff or corporations controlled by Plaintiff as CEO and President. ECF No. 18-2 at 4. Defendants are manufacturers of electronic products, including cameras and camcorders. ECF No. 12-2 at 2.

Plaintiff alleges that Defendants' video cameras and camcorders incorporate the use of Plaintiff's patented technology and that Panasonic's manufacture, use, and that the sale of these products infringe upon claims 1 and 9 of the '286 Patent. ECF No. 12-2 at 16. Plaintiff further avers that through Defendants' continued sale of products using Plaintiff's technology, Defendants are "actively inducing" continued infringement of Plaintiff's Patent. ECF 12-2 at 18.

Although Plaintiff is the present owner of both the '231 Patent and the '286 Patent, only infringement of the '286 Patent is alleged. The '286 Patent is an "integrated system of hardware and software modules for processing visual, audio, textual, and geospatial information" and includes seventeen (17) claims. ECF No.

1-2 at 56. Plaintiff asserts patent infringement for two of these claims, claim one (1) and claim nine (9).[1] ECF No. 18-2.

a. SMPTE Standards 330M and 373M

The Society of Motion Picture and Television Engineers (SMPTE) is an organization that, among other responsibilities, recommends specific formats for motion-imaging content through the publication of "Recommended Practices," "Standards," and engineering guidelines for the motion picture industry. In January 2010, Plaintiffs' affiliated corporation and then-owner of the '286 Patent, Global Findability, Inc. (GFI), discovered an intellectual property statement in an SMPTE Recommended Practice. ECF No. 18-2 at ¶ 48. The document, *Recommended Practice: SMPTE RP 204-2009-Application of Unique Identifiers in Production and Broad Environments*, announced that "no notice had been received by SMPTE claiming patent rights essential to the implementation of this Standard," but that "attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights." *Id.* In response, GFI filed a voluntary patent licensing declaration to license the '286 Patent for the technology implemented in SMPTE 330M: 2004 ("330M Standard"). *Id.* at ¶ 49. The 330M

[1] Although Plaintiff's arguments frequently rely upon the '231 Patent and other claims of the '286 Patent, the Court's discussion and analysis is limited to the specific claims for which Plaintiff actually alleges patent infringement, claims 1 and 9 of the '286 Patent. *See* ECF No. 17-2.

Standard specifies the format of Unique Material Identifiers (UMID), which are unique identifiers for picture, audio, and data material that is automatically generated or manually created and encrypted into a media file. *Id.* at ¶ 56. The metadata of a UMID may include date and time, spatial co-ordinates, country code, organization code, and user code. *Id.*

On November 5, 2013, Geocode-LA Inc. (GLA), who acquired the '286 Patent in July 2013,[2] *see id.* at ¶ 27, submitted an updated patent licensing declaration to cover additional SMPTE standards, including SMPTE 337M-2004 Material Exchange Format File Format Specification Standard ("337M Standard"). ECF No. 18-2 at ¶ 52. The 337M Standard defines the data structure of Material Exchange Format (MXF) for network transport and storage of audiovisual material. *Id.* at ¶ 57. One of the specifications of the 337M Standard includes a UMID metadata identifier. *Id.* On January 24, 2017, Plaintiff, now the assigned owner of Patent '286, notified SMPTE that Plaintiff's patents would no longer be offered for implementation of

[2] Ownership of the '286 Patent has transferred several times, but Plaintiff was CEO and President of all corporate entities. The original owner of the '286 Patent was GeoQwest International, Inc. (GQI). GQI merged into Global Findability, Inc., in May 2007. GFI was rebranded as BWGM, Inc., in January 2012. On January 12, 2012, BWGM incorporated Geocode, Inc. as a wholly owned subsidiary. From May 12, 2012 through July 28, 2013, Geocode, Inc., owned the '286 Patent. Another BWGM subsidiary, Geocode-LA, Inc. (GLA), was assigned the patent on July 28, 2013, and owned the '286 Patent until its assignment to the Plaintiff on February 2, 2016. *See* ECF No. 18-2 at 4.

SMPTE standards, including 330M and 337M. ECF No. 18-2 at ¶ 55; *see also* ECF No. 1-9 at 2.

b. Defendants' Alleged Infringement of the '286 Patent

Defendants manufacture and sell media equipment that incorporates the 330M and 337M SMPTE Standards. ECF No. 18-2 at ¶¶ 58-63. By Plaintiff's approximation, twenty-seven (27) Panasonic models conform to these Standards. *Id.* at ¶ 83. Defendants also sell or have sold six (6) cameras or camcorders that incorporate a Global Positioning System ("GPS") receiver and the 330M or 337M Standard, *id.* at ¶ 85, and five (5) models that incorporate a GPS receiver, but not the 330M or 337M Standard, *id.* at ¶ 86. In 2012 and 2014, the previous owner of the '286 patent, Geocode, Inc. notified SMPTE-compliant manufacturers, including Defendants, of the SMPTE patent licensing agreement. *Id.* at ¶¶ 64-66. Throughout 2012 through 2014, the respective '286 Patent owners[3] engaged Defendants in discussions for a potential licensing agreement for the '286 Patent, but the parties were unable to reach an agreement. *Id.* at ¶¶ 66-82.

Subsequently, on January 26, 2017, Plaintiff filed this Complaint alleging that Defendants' infringed on Plaintiff's patent. ECF No. 1. Plaintiff submitted an Amended Complaint, naming the present Defendants and asserting specifically that Defendants' products, by employing the 330M and 337M SMPTE standards,

[3] *See supra* n.2.

integrate the technology protected by Claim 1 and Claim 9 of the '286 Patent.[4] ECF No. 18-2 at ¶¶ 91-93. Claim 1 asserts ownership of:

> 1. A geospatial media recorder, comprising:
>
> converting means for converting longitude and latitude geographic degree, minutes, and second (DMS) coordinate alphanumeric representations or decimal equivalent geographic coordinate alphanumeric representations and altitude alphanumeric representations into individual discretion all-natural number[5] geographic coordinate and measurement representations; and
>
> combining means for concatenating the discrete all-natural number geographic coordinate and measurement representations into a single discrete all-natural number geospatial coordinate measurement representation for identification of a geospatial positional location at, below, or above earth's surface allowing user to geospatially reference entities or objects

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[4] While Plaintiff's Complaint alleges that "Panasonic has infringed on at least Claim 1 and Claim 9 of the '286 Patent," ECF No. 18-2, implying a broader patent infringement claim, Plaintiff only argue Defendants' alleged infringement on Claims 1 and 9. See ECF Nos. 18-2 & 23-1.

[5] In contrast to alphanumeric representations, which are comprised of both letters and numbers, "natural numbers" are positive integers (whole numbers).

> based on the identified geospatial positional location and point identification.

ECF No. 1-2 at 59.

And claim 9 asserts ownership of:

> 9. A geospatial information processing method comprising:
>
> converting latitude and longitude geographic degree, minutes, and seconds (DMS) coordinate alphanumeric representations or decimal equivalent geographic coordinate alphanumeric representations and latitude alphanumeric representations into individual discrete all-natural number geographic coordinate and measurement representations; and
>
> concatenating the individual discrete all natural number geographic coordinate and measurement representations into a single discrete all-natural number geospatial coordinate measurement representation for identification of a geospatial positional location at, below, or above earth's surface allowing user to geospatially reference entities or objects based on the identified geospatial positional location and point identification.

ECF No. 1-2 at 60.

Defendants have moved to dismiss the Amended Complaint, arguing that each of the claims asserted by Plaintiff are invalid under 35 U.S.C. § 101. ECF No. 15.

Specifically, Defendants argue that Plaintiff's claims fall into the section 101's "abstract ideas" exception, as they are directed solely to the abstract concept of "performing mathematical operations on a computer to arrive at a particular data format." ECF No. 20 at 15. As discussed below, the Court agrees.

II. Legal Standard

When ruling on a motion under Rule 12(b)(6), the court must "accept the well-pled allegations of the complaint as true" and "construe the facts and reasonable inferences derived therefrom in the light most favorable to the plaintiff." *Ibarra v. United States*, 120 F.3d 472, 474 (4th Cir. 1997). Plaintiff is proceeding pro se, and his Complaint is to be construed liberally.

See *Haines v. Kerner*, 404 U.S. 519, 520 (1972). However, liberal construction does not absolve Plaintiff from pleading plausible claims. See *Holsey v. Collins*, 90 F.R.D. 122, 128 (D. Md. 1981) (citing *Inmates v. Owens*, 561 F.2d 560, 562-63 (4th Cir. 1977)). "The mere recital of elements of a cause of action, supported only by conclusory statements, is not sufficient to survive a motion made pursuant to Rule 12(b)(6)." *Walters v. McMahen*, 684 F.3d 435, 439 (4th Cir. 2012) (citing *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009)). A complaint's factual allegations "must be enough to raise a right to relief above the speculative level on the assumption that all the allegations in the complaint are true (even if doubtful in fact)." *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007) (internal citations omitted). "To

satisfy this standard, a plaintiff need not 'forecast' evidence sufficient to prove the elements of the claim. The complaint must allege sufficient facts to establish those elements." *Walters*, 684 F.3d at 439 (citation omitted). "Thus, while a plaintiff does not need to demonstrate in a complaint that the right to relief is 'probable,' the complaint must advance the plaintiff's claim 'across the line from conceivable to plausible.'" *Id.* (quoting *Twombly*, 550 U.S. at 570).

Moreover, it is well established is that a defendant in a patent infringement suit may move for dismissal under Rule 12(b)(6) because the patent in question concerns abstract ideas or the basic tools of scientific and technological work. *See, e.g.*, *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362 (Fed. Cir. 2015); *Ultramercial, Inc., v. Hulu LLC*, 772 F.3d 709, 714-15 (Fed Cir. 2014). "Courts may . . . dispose of patent-infringement claims under § 101 whenever procedurally appropriate." *Bascom Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1347 (Fed. Cir. 2016); *see also Secured Mail Solutions LLC v. Universal Wilde, Inc.*, Case No. 17-1728, 2017 WL 45827437 at *6-*7 (Fed. Cir. Oct. 16, 2017) (noting "this court has determined claims to be patent-ineligible at the motion to dismiss stage based on intrinsic evidence from the specification without need for 'extraneous fact finding outside the record.'") (internal citation omitted); *Context Extraction & Transmission LLC v. Wells Fargo Bank, Nat Ass'n*, 776 F.3d 1343, 1349 (Fed. Cir. 2014) (affirming that when the court has a "full understanding of the basic nature of the claimed subject matter,"

the question of patent eligibility can be resolved on the pleadings).

In testing the sufficiency of a complaint, courts may "consider documents attached to the complaint" under Fed. R. Civ. P. 10(c), provided the documents are "integral to the complaint and authentic." See *Philips v. Pitt Cnty. Mem'l Hosp.*, 572 F.3d 176, 180 (4th Cir. 2009). Here, Plaintiff has attached numerous exhibits to his original Complaint, including the Patent on which the Court is centrally focused. ECF No. 1-2. As such, the Patent is integral to the Amended Complaint because it reflects the Plaintiff's ownership of the '286 Patent and the legal basis for his infringement claim. *See Chesapeake Bay Foundation, Inc. v. Severstal Sparrows Point, LLC*, 794 F. Supp. 2d 602, 611 (D. Md. 2011) ("An integral document is a document that by its very existence, and *not the mere information it* contains, gives rise to the legal rights asserted.") (internal citation omitted). The Defendants do not challenge the authenticity of the document or contest Plaintiff's ownership, *see* ECF No. 15, and so the Court will consider the '286 Patent attached to Plaintiff's original Complaint. ECF No. 1-2.

III. Discussion

35 U.S.C. § 101 defines patent-eligible subject matter as "any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof." 35 U.S.C. § 101. The United States Supreme Court has long recognized an implicit

exception to the universe of patentable material to include laws of nature, natural phenomena, and abstract ideas, all of which represent "the basic tools of scientific and technological work." *Ass'n for Molecular Pathology v. Myriad Genetics, Inc*, 133 S.Ct. 2107, 2116 (2013) (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 71 (2012)). To evaluate patent infringement defenses premised on § 101, the United States Supreme Court developed a two-step "framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts." *Alice Corp. Pty. v. CLS Bank Int'l*, 134 S.Ct. 2347, 2355 (2014).

In the first step, the court must "determine whether the claims at issue are directed to one of those patent-ineligible concepts." *Id.* If they are, in step two the court looks to whether the claim elements, either individually or as an ordered combination, contain an "inventive concept" that "'transform[s] the nature of the claim' into a patent-eligible application." *Id.* (quoting *Mayo*, 566 U.S. at 72, 78). Each stage of the *Alice* two-step inquiry is "plainly related" and "involve[s] overlapping scrutiny of the content of the claims." *Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016).

A. *Alice* Step One

The "Supreme Court's formulation makes clear that the first-stage filter is a meaningful one, sometimes

ending the § 101 inquiry." *Id.* at 1353. Not every claim that recites tangible components escapes the reach of the abstract-idea inquiry. *See e.g.*, *Alice*, 134 S.Ct. at 2360 (claims that recite general-purpose computer components are nevertheless "directed to" an abstract idea); *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat Ass'n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014) (claims reciting a "scanner" are directed to an abstract idea); *Mortg. Grader, Inc. v. First Choice Loan Serv. Inc.*, 811 F.3d 1314, 1324-25 (Fed. Cir. 2016) (claims reciting an "interface," "network," and a "database" are nevertheless directed to an abstract idea). In assessing whether claims constitute patent-ineligible abstract ideas, the Court must carefully avoid oversimplifying the challenged claims because "[a]t some level, 'all inventions . . . embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.'" *Alice*, 134 S.Ct. at 2354 (quoting *Mayo*, 566 U.S. at 71); *see also Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1334 (Fed. Cir. 2016) ("The 'directed to' inquiry, therefore, cannot simply ask whether the claims *involve* a patent-ineligible concept, because essentially every routinely patent-eligible claim involving physical products and actions involves a law of nature and/or natural phenomenon.").

Defendants' central challenge is that Plaintiff has patented a basic and widely applicable mathematical methodology to convert geospatial coordinates into natural numbers.[6] *See, e.g.*, ECF No. 17-2 at 11-14. This

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[6] Plaintiff provides definitions of these terms:

Concatenating: "a programming process that is the operation of joining two strings together and in addition

kind of "conventional and generic" idea, they argue, is exactly what *Alice* sought to prevent because patenting such concepts would foster "monopolization of these tools," which in turn would "tend to impede innovation more than it would tend to promote it." *Alice*, 134 S.Ct. at 2354 (quoting *Mayo*, 566 U.S. at 71); *see also* ECF No. 15-1 at 8-19. Plaintiff counters that these "converting and concatenating" operations, performed "in a computer" with its "structure defined by the concatenation operations," are "specialized data processing" and take the claims beyond the realm of abstract ideas. *Id.*

However, neither claim 1 or 9, nor any information provided in the Amended Complaint, constitute anything more than a patent-ineligible concept. *See* ECF Nos. 1-2, 18-2 & 23-1; *accord Digitech Image Techs., LLC v. Elecs. for Imaging, Inc.*, 758 F.3d 1344, 1351 (Fed Cir. 2014) (noting that "nothing in the claim language expressly ties the method [to a physical device]

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to strings, concatenation can be applied to any other data, including objects . . . Concatenation is an information technology technical term that defines a specific computer process of creating [meta]data in computer memory for use by other computer processes." ECF No. 17-2 at 9.

Converting is "[t]he computer process of taking geospatial positioning representations in Degree-Minute-Second-or Decimal Degree, and altimetric format and other geospatial information and changing these geospatial positioning entities into an all-natural number that can be used to create a geospatial coordinate, the GEOCODE, for use as a data segment or object in geospatial information system processing operations and analysis." ECF No. 17-2 at 10.

. . . the claim generically recites a process of combining two data sets"). Notably, the broad language of claims 1 and 9 would cover any process for converting geographic coordinates into alphanumeric representations. The claims involve broad theoretic application of a mathematical methodology which is not dependent on a device to achieve its outcomes. Accordingly, claims 1 and 9 are abstract ideas under step one of the *Alice* analysis. *See McRO, Inc. v. Bandai Namco Games America Inc.*, 837 F.3d 1299, 1313 (Fed. Cir. 2016) ("The abstract idea exception [is] applied to prevent patenting of claims that abstractly cover results where it matters not by what process or machinery the result is accomplished . . . [a] patent may issue for the means or method of producing a certain result, or effect, and not for the result or effect produced.") (internal citation omitted); *see also Gottschalk v. Benson*, 409 U.S. 63, 72 (1972) (program to "solve mathematical problems of converting one form of numerical representation to another" was not a patent eligible process because "the patent would wholly pre-empt the mathematical formula and in practical effect would be a patent on the algorithm itself"); *Digitech Image Technologies v. Electronics for Imaging, Inc.*, 758 F.3d 1344, 1351 (Fed. Cir. 2014) ("a process that employs mathematical algorithms to generate additional information is not patent eligible."); *Secure Mail Solutions LLC v. Universal Wilde, Inc.*, 169 F. Supp. 3d 1039, 1057 (C.D. Ca. 2016), ("Plaintiff has failed to convincingly argue the concatenation of data qualifies as a fundamental alteration to the information itself") (internal citation omitted),

aff'd, Case No. 2016-1728, 2017 WL 4582737 (Fed. Cir. Oct. 16, 2017).

B. *Alice* Step Two

Where, as here, the patent covers an abstract idea, it does not necessarily "render the subject matter patent-ineligible." *Internet Patents Corp. v. Active Network, Inc*, 790 F.3d 1343, 1346 (Fed. Cir. 2015). Step two of the *Alice* inquiry sets out to determine "whether the remaining elements . . . are sufficient to transform the nature of the claim into a patent-eligible application." *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1367 (Fed. Cir. 2015) (internal citation and quotations omitted). To be patent-eligible, the claim "must do more than simply explain what the invention does, in functional terms; *they must explain how it does so*." *Dealertrack v. Huber*, 674 F.3d 1315, 1334 (Fed. Cir. 2012) (emphasis in original).

Plaintiff contends that because these claims "converting and concatenating" operations are performed "in a computer" they constitute "specialized data processing" taking them beyond the realm of abstract ideas. *Id.* However, the use of generic computers to perform mathematical operations alone is "insufficient to add an inventive concept to an otherwise abstract idea." *In re TLI Communications LLC Patent Litigation*, 823 F.3d 607, 614 (Fed. Cir. 2016). For the use of a computer to "salvage an otherwise patent-ineligible process, [it] must be integral to the claimed invention, facilitating the process in a way that a person making

calculations or computations could not." *Bancorp Services, LLC v. Sun Life Assur. Co. of Canada (U.S.)*, 687 F.3d 1266, 1278 (Fed. Cir. 2012). But where "computers are invoked merely as a tool" to be employed as part of the asserted claim, the claim will not be patent-eligible. *Enfish, LLC, v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016).

Plaintiff's use of a computer does not render claims 1 and 9 patent-eligible. Claims 1 and 9 describe a "geospatial media recorder" to "encode geospatial data onto video frames at time of video acquisition," ECF No. 17-2 at 12, and a "geospatial information processing method" that records geospatial data through "specialized concatenation operations conducted in a computer" that convert the data into a different numeric form.[7] ECF No. 17-2 at 12. In simpler terms, the claims collectively work together to record geospatial data, such as latitude and longitude, convert the geospatial data into a different numeric form, and then encode the converted data onto video. Because the computer is used only to complete the process of converting alphanumeric into natural numbers, it is "merely as a tool" in the conversion process. The computer, therefore, adds no independent inventive concept to render the claims patent-eligible.

Plaintiff also argues that the operation outlined by claims 1 and 9, which include the entry of converted

[7] Elsewhere, Plaintiff has patented the name of the converted, natural number geospatial data as the "GEOCODE." However, because this term does not appear in either of the patent claims at issue, the Court will not adopt this term.

data into a computer's memory, change the "state" of the computer and make it patent eligible under the "machine-or-transformation test" articulated in *Diamond v. Diehr*, 450 U.S. 175 (1981). The machine-or-transformation test "can provide a useful clue in the second step of the *Alice* framework." *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 716 (Fed. Cir. 2014). Under *Diehr*, a claimed process can be patent eligible if "it is tied to a particular machine or apparatus," *id.*, and performs "a function which the patent laws were designed to protect" by "transforming or reducing an article to a different state or thing." *Diehr*, 450 U.S. at 192. In *Diehr*, the mathematical formulation improved existing processes for the *literal* transformation of raw, synthetic rubber into cured synthetic rubber. *Id.*[8]

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[8] It is illuminating to contrast the claim in *Diehr* with the language employed by claims one and nine. Representative Claim 1 in *Diehr* reads:

> "1. A method of operating a rubber-molding press for precision molded compounds with the aid of a digital computer, comprising:
>
> "providing said computer with a data base for said press including at least,
>
> "natural logarithm conversion data (ln),
>
> "the activation energy constant (C) unique to each batch of said compound being molded, and
>
> "a constant (x) dependent upon the geometry of the particular mold of the press,
>
> "initiating an interval timer in said computer upon the closure of the press for monitoring the elapsed time of said closure,

Plaintiff's claims, by contrast, are non-specific acts of converting, combining, and concatenating numbers using generic computers. *Accord Ultramercial*, 772 F.3d at 716 (holding that a claim does not pass the machine or transformation test if it is "not tied to any particular novel machine or apparatus, only a general purpose computer."); *see also Smart Systems Innovations, LLC v. Chicago Transit Authority*, Case No. 2016-1728, 2017 WL 4654964 at *9 (Fed. Cir. Oct. 18, 2017). Unlike *Diehr*, Plaintiff's claims do not involve any particular machine or apparatus to manufacture anything. Because Plaintiff in essence seeks to "patent a mathematical formula" and not seek patent for a

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> "constantly determining the temperature (Z) of the mold at a location closely adjacent to the mold cavity in the press during molding,
>
> "constantly providing the computer with the temperature (Z),
>
> "repetitively calculating in the computer, at frequent intervals during each cure, the Arrhenius equation for reaction time during the cure, which is
>
> "ln v = CZ + x
>
> "where v is the total required cure time,
>
> "repetitively comparing in the computer at said frequent intervals during the cure each said calculation of the total required cure time calculated with the Arrhenius equation and said elapsed time, and
>
> "opening the press automatically when a said comparison indicates equivalence."

Diehr, 450 U.S. 175, 180 n.5 (1981).

manufacturing process, *Diehr* does not save Plaintiff's claims.

Nor does the fact that claims 1 and 9 are used in connection with video production alter the *Alice* step two analysis. "[T]he use of a computer in an otherwise patent-ineligible process for no more than its most basic function – making calculations or computations – fails to circumvent the prohibition against patenting abstract ideas." *Bancorp Services, LLC v. Sun Life Assur. Co. of Canada (U.S.)*, 687 F.3d 1266, 1278 (Fed. Cir. 2012). Plaintiff's attempts to limit the abstract ideas captured in claims 1 and 9 to a particular technological area does not, without more, transform it into a patentable "inventive concept." *Alice Corp. v. CLS Bank International*, 134 S. Ct. 2347, 2358 (2014); *see also Parker v. Flook*, 437 U.S. 584, 593 ("[R]espondent incorrectly assumes that if a process application implements a principle in some specific fashion, it automatically falls within the patentable subject matter of § 101 . . . [this is] untenable in the context of § 101.").

Finally, Plaintiff frequently implies, but does not explicitly argue, that this Court should look beyond claims 1 and 9 to the entire '286 Patent *and* the prosecution history of the '231 Patent to find that the '286 patent captures an inventive concept. *Supra*; *compare* '286 Patent, ECF No. 1-2 at 59-60 *with* ECF No. 17-2 at 13-17. The fatal flaw in Plaintiff's argument, however, lies in the cause of action that he chose to pursue. In the Amended Complaint, Plaintiff centers his suit on claims 1 and 9 of the '286 patent. The Court likewise circumscribes its analysis to whether Plaintiff's cause

of action as pleaded in the Amended Complaint survives challenge. *Accord Walters v. McMahen*, 684 F.3d 435, 439 (4th Cir. 2012) (noting that "[t]he determination whether a complaint adequately states a plausible claim is a 'context – specific task,' in which the *factual allegations of the complaint* must be examined." (emphasis added) (internal citation omitted); *see also Ibarra v. United States*, 120 F.3d 472, 474 (4th Cir. 1997). Accordingly, because claims 1 and 9 constitute abstract concepts not transformed by the use of a computer into patent-eligible claims, defendants should not be made to answer and defend the Amended Complaint. The Defendants' Motion to Dismiss is therefore GRANTED. A separate order will follow.

11/1/2017
Date

/s/
Paula Xinis
United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

CARL M. BURNETT	*	
Plaintiff,	*	
v.		
PANASONIC CORPORATION OF NORTH, AMERICA, and PANASONIC INTELLECTUAL PROPERTY CORPORATION OF AMERICA	*	Civil Action No. PX 17-236
Defendants.	*	

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ORDER

(Filed Nov. 1, 2017)

For the reasons stated in the foregoing Memorandum Opinion, it is this 1st day of November, 2017, by the United States District Court for the District of Maryland, ORDERED that:

1. Defendants' Motion to Dismiss, ECF No. 15, is GRANTED, and the Plaintiff's Amended Complaint, ECF No. 18-2, is DISMISSED.

2. The Clerk shall transmit copies of the Memorandum Opinion and this Order to the parties and CLOSE the case.

/s/
Paula Xinis
United States District Judge