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[ENTERED APRIL 26, 2021]

NOTE: This disposition is nonprecedential.

**United States Court of Appeals
for the Federal Circuit**

**WHITSERVE LLC,
Plaintiff-Appellant**

v.

**DROPBOX, INC.,
Defendant-Appellee**

2019-2334

Appeal from the United States District Court for the
District of Delaware in No. 1:18-cv-00665-CFC,
Judge Colm F. Connolly.

Decided: April 26, 2021

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Before REYNA, SCHALL, and WALLACH,
Circuit Judges.

REYNA, *Circuit Judge.*

Appellant WhitServe LLC appeals from the United States District Court for the District of Delaware. WhitServe brought an infringement action against Dropbox. Dropbox moved to dismiss WhitServe's complaint with prejudice on grounds that the patent claims asserted by WhitServe are directed to patent ineligible subject matter. The district court granted Dropbox's motion to dismiss, and WhitServe appeals. We affirm the judgment of the district court.

BACKGROUND

WhitServe LLC ("WhitServe") filed suit on May 1, 2018 alleging that Dropbox, Inc. ("Dropbox") infringes at least claims 10 and 19 of U.S. Patent No. 8,812,437 ("the '437 patent"). The '437 patent, entitled "Onsite Backup for Third Party Internet-Based Systems," generally relates to "safeguarding customer/client data when a business outsources data processing to third party Internet-based systems," by backing up the internet-based data to a client's local computer. '437 patent col. 1 ll. 6–9. The specification discloses a "central computer," a "client computer," a "communications link" between each computer and the Internet, and a "database" containing a plurality of data records. *Id.* at col. 2 ll. 34–52; col. 4 ll. 4–13. The specification further discloses software that is capable of "modifying" the data records by "updating and deleting" data in the data records. *Id.* at col. 4 ll. 26–30. In sum, the disclosed computers can send a request for a copy of data records over the Internet, receive the request, and transmit a copy of the requested data. *See, e.g., id.* at col. 4 ll. 31–41.

Claim 10 is representative of the '437 patent's claims for purposes of this appeal.¹ Claim 10 recites:

A system for onsite backup for internet-based data processing systems, comprising:

a central computer accessible by at least one client computer at a client site via the Internet for outsourced data processing;

at least one database containing a plurality of data records accessible by said central computer, the plurality of data records including internet-based data that is modifiable over the Internet from the client computer;

data processing software executing on said central computer for outsourcing data processing to the Internet from the at least one client computer, said data processing software modifying the internetbased data in the plurality of data records according to instructions received from the at least one client computer, the modifying including updating and deleting the internet-based data in the plurality of data records;

¹ On appeal, WhitServe contests the district court's treatment of claim 10 as representative. *See* Appellant's Br. 17. However, the district court determined that "WhitServe did not challenge Dropbox's treatment of claim 10 as representative or present any meaningful argument for the distinctive significance of any claim limitation not found in claim 10." J.A. 9. In addition, Whitserve's opening brief on appeal does not address any claim of the '437 patent other than claim 10 and thus WhitServe has waived the argument that claim 10 is not representative, and waived argument as to the patent eligibility of other claims in the '437 patent. *SmithKline Beecham Corp. v. Apotex Corp.*, 439 F.3d 1312, 1319 (Fed. Cir. 2006).

a client data request, sent from at least one client computer via the Internet to said central computer, the client data request comprising a request for a backup copy of at least one of the plurality of data records;

software executing on said central computer to receive, via the Internet from the at least one client computer, the request for a backup copy of at least one of the plurality of data records including the internet-based data in the at least one of the plurality of data records that has been modified by said data processing software; and

software executing on said central computer to transmit the backup copy of the at least one of the plurality of data record [sic] including the internetbased data in the at least one of the plurality of data records that has been modified by said data processing software to the client site for storage of the internet-based data from the at least one of the plurality of data record [sic] in a location accessible via the at least one client computer;

wherein the location is accessible by the at least one client computer without using the Internet.

Id. at col. 4 ll. 14–50.

Dropbox moved to dismiss WhitServe's complaint pursuant to Federal Rule of Civil Procedure 12(b)(6) on grounds that the '437 patent's claims recite patent ineligible subject matter pursuant to 35 U.S.C. § 101. On July 25, 2019, the district court granted Dropbox's motion to dismiss, concluding that the claims are directed to an abstract idea and fail to supply an inventive concept that transforms the abstract idea into a patent-eligible application.

WhitServe LLC v. Dropbox, Inc., No. CV 18-665-CFC, 2019 WL 3342949, at *1, *5–6 (D. Del. July 25, 2019).

Specifically, the district court agreed with Dropbox that the '437 patent is directed to the abstract idea of “backing up data records,” and concluded that the claims are not directed to an improvement in computer functionality. *Id.* at *4–5. In addition, the district court found that representative claim 10 “recites only generic computer components performing routine computer functions.” *Id.* at *4. The district court found “nothing inventive in how the [']437 patent arranges the storage of backup data,” reasoning that “[i]t is a well-understood practice of human organization that backup copies are stored in a location separate and distinct from the original location.” *Id.* at *5. The district court reasoned that if the original location was onsite, the conventional backup location would be offsite, or vice versa. *Id.* at *5–6. The district court reasoned that the claims were similar to when “humans secure critical documents, such as wills . . . in a bank safe deposit box, but keep a copy at home for quick reference when needed.” *Id.* at *6.

Further, the district court observed that, contrary to WhitServe’s argument, Dropbox was not required to separately address the patent’s preemptive scope in order to prevail on its motion to dismiss, because preemption “is not a separate and independent test under *Alice*,” but rather is a “concern that undergirds [] § 101 jurisprudence.” *Id.*

The district court rejected WhitServe’s contention that factual issues precluded dismissal, noting that this court has “repeatedly affirmed § 101 rejections at the motion to dismiss stage, before claim construction

or significant discovery has commenced,” *id.* (quoting *Cleveland Clinic Found. v. True Health Diagnostics LLC*, 859 F.3d 1352, 1360 (Fed. Cir. 2017)). The court stated that nothing in the allegations set forth in WhitServe’s complaint or in the specification of the ’437 patent would create a factual issue regarding patent eligibility. *Id.* at *7.

The district court also rejected WhitServe’s argument that the claims were patent eligible because the United States Patent and Trademark Office (“PTO”) issued the patent and an issued patent is presumed to be valid, and because this court had determined previously, in another action, that the patent claimed eligible subject matter. *Id.* The district court concluded it was not bound by PTO’s decisions and the agency’s allowance of the ’437 patent did not dictate the eligibility analysis. *Id.* In response to WhitServe’s argument concerning the applicability of a prior decision by this court, the district court observed that this court’s decision in *WhitServe LLC v. Computer Packages, Inc.*, 694 F.3d 10 (Fed. Cir. 2012), did not address the eligibility of the ’437 patent, but rather the dissent addressed the eligibility of its family member, and therefore did not constitute a prior decision of this court on the eligibility of the ’437 patent. *Id.*

The district court dismissed WhitServe’s complaint with prejudice and entered judgment in favor of Dropbox. WhitServe appeals this decision. We have jurisdiction pursuant to 28 U.S.C. § 1295(a)(1).

DISCUSSION

We review a district court’s dismissal for failure to state a claim under the law of the regional circuit, here, the Third Circuit. *BASCOM Glob. Internet*

Servs., Inc. v. AT&T Mobility LLC, 827 F.3d 1341, 1347 (Fed. Cir. 2016). The Third Circuit reviews the grant of a motion to dismiss de novo. *Foglia v. Renal Ventures Mgmt., LLC*, 754 F.3d 153, 154 n.1 (3d Cir. 2014). Patent eligibility under § 101 is ultimately a question of law, reviewable de novo, which may contain underlying issues of fact. *Synchronoss Techs., Inc. v. Dropbox, Inc.*, 987 F.3d 1358, 1365 (Fed. Cir. 2021).

The Supreme Court has long held that “abstract ideas,” such as “a fundamental economic practice long prevalent in” our society are patent ineligible subject matter. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208, 216, 219 (2014) (internal quotation marks and citation omitted). The Supreme Court established a two-step inquiry to determine whether a patent covers patent ineligible subject matter, such as an abstract idea. At *Alice* step one, the court decides whether the claims are “directed to” patent ineligible subject matter. *Id.* at 217. To determine whether a claim is directed to patent ineligible subject matter, we may consider whether any claimed advance over the prior art alleged in the written description demonstrates more than an abstract idea, such as an improvement of a technological process, or merely enhances an ineligible concept. *In re: Bd of Trustees of the Leland Stanford Junior Univ.*, 991 F.3d 1245, 1250–51 (Fed. Cir. 2021); *see, e.g., Athena Diagnostics, Inc. v. Mayo Collaborative Servs., LLC*, 915 F.3d 743, 750 (Fed. Cir. 2019), *cert. denied*, 140 S. Ct. 855, 205 L. Ed. 2d 460 (2020).

If the claims are not directed to patent ineligible subject matter, the *Alice* inquiry ends. If the claims are directed to patent ineligible subject matter, the *Alice* inquiry advances to step two. In step two, the

court determines whether the claims contain an “inventive concept,”—i.e., an element or a combination of elements that transforms the nature of the claim into a patent-eligible application. *Id.* at 217–18. To uphold a patent at step two, an inventive concept “must be evident in the claims.” *Two-Way Media Ltd. v. Comcast Cable Commc’ns, LLC*, 874 F.3d 1329, 1338 (Fed. Cir. 2017). We begin our review with *Alice* step one.

I

WhitServe argues on appeal that claim 10 is not directed to an abstract idea. Rather, claim 10 is directed to a technological improvement comprising “a system for onsite storage of a backup copy of Internet-based data that has been updated or deleted over the Internet by the client, which improves the storage, access, flexibility, and security of data processing.” Appellant’s Br. 24. WhitServe relies on *Enfish*, and argues that the ’437 patent is not “simply directed to storing any data in a general form, but instead is directed to a specific form of storing a specific type of data” See Appellant’s Br. 26 (citing *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1337 (Fed. Cir. 2016) (“the claims are not simply directed to any form of storing tabular data, but instead are specifically directed to a self-referential table for a computer database.”)(emphasis omitted)). According to WhitServe, claim 10 is directed to a practical solution to an internet-based problem. We disagree.

Claim 10 is directed to a system for maintaining data records, in particular, backing up data records. Claim 10 recites a “computer,” a “database,” “data processing software,” and communication via the Internet. ’437 patent col. 4 ll. 14–50. The specification

explained that, the “computer is described as being “central” or belonging to a “client,” *id.* at col. 2 ll. 40–43, the “database” merely “contain[s] a plurality of data records,” *id.* at Abstract, and the “software” is capable of “displaying” the data records by “updating” and “deleting” the data, *id.* at col. 2 ll. 37–43. Finally, the claimed computers are described as being capable of sending, over the Internet, a request for a copy of data records, receiving the request, and transmitting a copy of the requested data. *Id.* at col. 4 l. 31–49. In other words, the system is for requesting, transmitting, receiving, copying, deleting, and storing data records. Such transmitting, saving, and storing of client records is a fundamental business practice that “existed well before the advent of computers and the Internet,” *Intellectual Ventures I LLC v. Erie Indem. Co.*, 850 F.3d 1315, 1327 (Fed. Cir. 2017); *see, e.g., Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat. Ass’n*, 776 F.3d 1343, 1347 (Fed. Cir. 2014) (“The concept of data collection, recognition, and storage is undisputedly well-known.”). Independent claim 10 is, therefore, directed to an abstract idea.

WhitServe argues that, because the claims require a particular form of storage, namely “onsite” instead of “offsite,” they are directed to a specific improvement of a technological process. Whether the records are stored onsite or offsite does not alter the conclusion that the claims are directed to the abstract idea of maintaining data records, even if storage of the records is limited to the client’s computer, rather than a web server. *See Intellectual Ventures I*, 838 F.3d at 1319.

WhitServe also argues that the claimed advance demonstrates a patent eligible improvement of a technological process. We disagree. Here, the claimed

advance over the prior art, as stated in the specification and in claim 10, is the “onsite backup of data” and a “system for onsite backup of internet-based data processing systems.” ’437 patent col. 2 ll. 62–63; col. 4 ll. 13–14. The specification does not, however, explain the technological processes underlying the purported technological improvement. Instead, as the district court correctly explained, the claims “rely on the ordinary storage and transmission capabilities of computers within a network and apply that ordinary functionality in the particular context of onsite backup.” *WhitServe*, 2019 WL 3342949, at *5. As we have previously noted, claims reciting computer function, or the mere manipulation of data, are directed to an abstract idea. *See, e.g., Digitech Image Techs., LLC v. Elecs. for Imaging, Inc.*, 758 F.3d 1344, 1351 (Fed. Cir. 2014) (finding that a claim recited an ineligible abstract process of gathering and combining data that did not require input from a physical device). Here the system disclosed in claim 10 claims the computer function of maintaining data records, including storing records at different sites for added protection. This is an abstract idea. Accordingly, we conclude that claim 10 of the ’437 patent is directed to an abstract idea.

II

Step two of the *Alice* inquiry is a lifeline by which claims that are deemed to be directed to patent ineligible subject matter may be saved. At step two, we ask whether the claim recites an inventive concept that transforms the abstract idea into patent eligible subject matter.

WhitServe contends that an inventive concept lies in the way the client is able to control and modify data—

namely, “by offering users Internet-based data processing capabilities while allowing [for] the ability to edit and modify and transmit data records and further safeguard the data at a location without Internet access.” Appellant’s Br. 17, 29. WhitServe asserts that the patent takes the unconventional step of storing backup data onsite (i.e., a particular form of storage).

WhitServe also argues that the claim’s recitation of an internet-based data processing software that allows the ability to “edit and modify” is an inventive concept that transforms the claims into something other than an abstract idea. We disagree. The patent itself discloses that companies were “increasingly moving their data processing systems onto the Internet and providing web interfaces for their customers to see and manipulate their own data.” ’437 patent at col. 1 ll. 13–16. Thus, the ability to edit and modify data was well known and cannot constitute an inventive concept.

As this court has explained, storing data is a “generic computer function[.]” *In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 612 (Fed. Cir. 2016). We have also noted that “sending and receiving information” over a network are “routine computer functions.” *Intellectual Ventures I LLC v. Erie Indemnity Co.*, 850 F.3d 1315, 1329 (Fed. Cir. 2017); *see also Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1367–68 (Fed. Cir. 2015) (finding that “database” and “communication medium” (including the Internet) are generic computer components); *buySAFE, Inc. v. Google, Inc.*, 765 F.3d 1350, 1355 (Fed. Cir. 2014) (finding that “receiv[ing] and send[ing] the information over a network” is generic).

The claims recite generic computer components performing routine conventional functions. Viewing claim 10's elements in combination does not alter our conclusion because the claims lack a non-conventional and non-generic arrangement. *BASCOM*, 827 F.3d at 1350. Accordingly, we conclude that the '437 patent does not disclose an inventive concept and, as a result, does not transform claim 10 into patent eligible subject matter.

III

WhitServe alleges that certain factual questions precluded a finding of ineligibility at the pleading stage. Specifically, WhitServe contends that whether the claims present an improvement to software and computer functionality is a disputed factual issue. Appellant's Br. 36–37. WhitServe adds that the question of what constitutes a well-known business practice or is well-understood, routine and conventional technology at the time of the invention are also disputed factual issues. *Id.* WhitServe asserts that the district court failed to analyze the claims from the perspective of one skilled in the art at the time of the invention, failed to consider certain objective indicia of nonobviousness (i.e., commercial success), failed to conduct claim construction, and failed to give WhitServe the statutory presumption of validity that exists once a patent issued. *Id.* at 37–44.

These purported factual questions do not preclude dismissal of this case at the pleadings stage, nor do they preclude a finding of ineligibility. Although a § 101 inquiry may implicate underlying factual questions in some cases, “not every § 101 determination contains genuine disputes over the underlying facts material to the § 101 inquiry.”

Berkheimer v. HP Inc., 881 F.3d 1360, 1368 (Fed. Cir. 2018); see also *BSG Tech LLC v. Buyseasons, Inc.*, 899 F.3d 1281, 1290–91 (Fed. Cir. 2018) (distinguishing *Berkheimer* and affirming judgment of invalidity under § 101). Dismissal is appropriate where factual allegations are not “plausible” or are “refute[d]” by the record. *Aatrix Software, Inc. v. Green Shades Software, Inc.*, 882 F.3d 1121, 1125 (Fed. Cir. 2018) (citation omitted). The district court found that there were “no concrete or specific allegations in WhitServe’s complaint or discussions in the specification” regarding any improvements in technology, and thus there was “no factual issue that would preclude [it] from deciding . . . patent eligibility of the [’]437 patent on a motion to dismiss.” 2019 WL 3342949, at *6–7. We agree.

As noted above, we determine that the ’437 patent is patent ineligible on the basis that the claimed systems apply a fundamental business concept of backing up records and provide a generic environment to carry out the abstract idea of obtaining and storing backup copies. Patent eligibility may be determined on the intrinsic record alone where, as here, the specification provides that the relevant claim elements are well-understood, routine and conventional. See *Berkheimer v. HP Inc.*, 890 F.3d at 1371 (Moore, J., concurring in the denial of en banc rehearing).

WhitServe argues that the district court erred by failing to consider objective criteria of non-obviousness as part of the *Alice* inquiry. We disagree. Objection indicia of nonobviousness are relevant in a § 103 inquiry, but not in a § 101 inquiry. Finally, as to claim construction, WhitServe waived any such argument by failing to request claim construction

below, and by failing to explain how a different construction of any claim term would lead to a different result. See *Abbott Labs. v. Syntro**n Bioresearch, Inc.*, 334 F.3d 1343, 1357 (Fed. Cir. 2003) (determining that a litigant who “d[oes] not urge a particular claim construction of the disputed language before the district court[] . . . waive[s] the right to do so on appeal”).

CONCLUSION

The court has considered WhitServe’s additional arguments and finds them unpersuasive. We affirm the judgment of the district court.

AFFIRMED

[ENTERED JULY 25, 2019]

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

WHITSERVE LLC,)	
<i>Plaintiff,</i>)	Civ. No. 18-665-CFC
v.)	
DROPBOX, INC.,)	
<i>Dropbox.</i>)	

MEMORANDUM

Plaintiff WhitServe LLC (WhitServe) alleges that Defendant Drop box, Inc. (Dropbox) infringes U.S. Patent No. 8,812,437 ("the #437 patent") titled "Onsite Backup for Third Party Internet-Based Systems." The Court has jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a). Dropbox has moved to dismiss the complaint pursuant to Federal Rule of Civil Procedure 12(b)(6) on the grounds that the #437 patent recites patent ineligible subject matter under 35 U.S.C. § 101. D.I. 9. For the reasons discussed below, I will grant Dropbox's motion.

I. BACKGROUND

The #43 7 patent states that "[i]n an effort to improve customer service, companies are increasingly moving their data processing systems onto the Internet and providing web interfaces for their customers to see and manipulate their own data." D.I. 1-1 at 1: 13-16. At the same time, companies are outsourcing the processing of customers' data to third parties, which "cuts costs and relieves companies of having to hire software expertise [and] ... having to maintain hardware." *Id.* at 1 :21-28.

One problem with outsourcing data processing to third parties that use Internet-based systems is "the safeguarding of their and their clients' data." *Id.* at 1 :32-34. "Another difficulty companies face in deciding [whether] to outsource is continuity of service if, for example, the third party were to go out of business." *Id.* at 1 :38-40. The #437 patent purports to solve these problems by disclosing, among other things, "[a] system for onsite backup for internet-based data processing systems." *Id.* at 3 :20, 4: 13-14. The system is comprised of a "central computer," "a client computer," a "communications link" between each computer and the internet, and a database containing a plurality of data records. *Id.* at Abstract. "Software executing on the central computer receives a data backup request, and ... transmits the data backup to the client computer." *Id.* There are no other details in the patent regarding how the system works.

There are three independent claims in the #437 patent: claims 1, 10, and 19. WhitServe contends that Dropbox has infringed claims 10 and 19. Claim 10, which has been reformatted for clarity, recites:

A system for onsite backup for internet-based data processing systems, comprising:

a *central computer* accessible by at least one client computer at a client site via the Internet for outsourced data processing;

at least one *database* containing a plurality of data records accessible by said central computer, the plurality of data records including internet-based data that is modifiable over the Internet from the client computer;

data processing software executing on said central computer for outsourcing data processing to the Internet from the at least one client computer, said data processing software modifying the internetbased data in the plurality of data records according to instructions received from the at least one client computer, the modifying including updating and deleting the internet-based data in the plurality of data records;

a *client data request*, sent from at least one client computer via the Internet to said central computer, the client data request comprising a request for a backup copy of at least one of the plurality of data records;

software executing on said central computer *to receive*, via the Internet from the at least one client computer, *the request* for a backup copy of at least one of the plurality of data records including the internet-based data in the at least one of the plurality of data records that has been modified by said data processing software; and

software executing on said central computer *to transmit the backup copy* of the at least one of the plurality of data record including the internet-based data in the at least one of the plurality of data records that has been modified by said data processing software to the client site for storage of the internet-based data from the at least one of the plurality of data record in a location accessible via the at least one client computer;

wherein the location is accessible by the at least one client computer without using the Internet.

Id. at 4:14-50.

Claim 1 is essentially the same as claim 10 except that the internet-based data processing system is "managed by a third-party." *Id.* at 3:20, 3:33. Claim 19 rewrites claim 10 as a pure software claim. The preamble to claim 19 recites: "[a] non-transient computer readable medium containing software executed by at least one processor for causing a central computer to perform the following steps." *Id.* at 5:7-9. The software (which is written to operate on the "central computer") performs the same steps as the system recited in claim 10. The dependent claims narrow the independent claims by, for example, specifying the location of the central computer (a third-party site or not the client site), or adding a requirement that the data be reformatted, encrypted, or susceptible to manipulation using a web interface. *See, e.g., id.* at 3:53-4:13.

II. STANDARD OF REVIEW

Under Rule 12(b)(6), a party may move to dismiss a complaint for "failure to state a claim upon which relief can be granted." Fed. R. Civ. P. 12(b)(6). To survive the motion to dismiss, the complaint need not contain "detailed factual allegations," but it must contain sufficient factual matter to "state a claim to relief that is plausible on its face." *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl. Corp v. Twombly*, 550 U.S. 544, 555, 570 (2007)). In assessing the plausibility of a claim, the court must accept all well-pleaded factual allegations in the complaint as true and draw all reasonable inferences in favor of the

plaintiff. *In re Rockefeller Ctr. Prop., Inc. Sec. Litig.*, 311 F.3d 198,215 (3d Cir. 2002). The Court's review is limited to the allegations in the complaint, exhibits attached to the complaint, and documents incorporated by reference. *Mayer v. Belichick*, 605 F.3d 223, 230 (3d Cir. 2010).

III. DISCUSSION

Dropbox has moved to dismiss the complaint on the grounds that the asserted claims in the #437 patent are directed to an abstract idea and, therefore, ineligible for patent protection under 35 U.S.C. § 101. WhitServe argues that the motion should be denied because: (1) the #437 patent is eligible under § 101; (2) the #437 patent does not preempt the field of data storage and data modification; (3) Dropbox failed to meet its burden of proof on a motion to dismiss; and (4) the Federal Circuit and United States Patent and Trademark Office ("USPTO") have already determined that the #437 patent is not abstract. D.I. 13.

A. Patent Eligibility under *Alice*

Section 101 of the Patent Act defines patent-eligible subject matter. It provides: "Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title." 35 U.S.C. § 101.

There are three judicially-created limitations on the literal words of § 101. The Supreme Court has long held that laws of nature, natural phenomena, and abstract ideas are not patentable subject matter. *Alice Corp. Pty. v. CLS Bank Int'l*, 573 U.S. 208, 216 (2014). These exceptions to patentable subject matter

arise from the concern that the monopolization of "these basic tools of scientific and technological work" "might tend to impede innovation more than it would tend to promote it." *Id.* (internal quotation marks and citations omitted).

"[A]n invention is not rendered ineligible for patent [protection] simply because it involves an abstract concept." *Id.* at 217. "[A]pplication[s] of such concepts to a new and useful end ... remain eligible for patent protection." *Id.* (internal quotation marks and citations omitted). But in order "to transform an unpatentable law of nature [or abstract idea] into a patent-eligible application of such law [or abstract idea], one must do more than simply state the law of nature [or abstract idea] while adding the words 'apply it.'" *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 71 (2012) (emphasis omitted).

In *Alice*, the Supreme Court made clear that the framework laid out in *Mayo* for determining if a patent claims eligible subject matter involves two steps. The Court must first determine whether the patent's claims are drawn to a patentineligible concept - i.e., are the claims directed to a law of nature, natural phenomenon, or abstract idea? 573 U.S. at 217. If the answer to this question is no, then the patent is not invalid for teaching ineligible subject matter. If the answer to this question is yes, then the Court must proceed to step two, where it considers "the elements of each claim both individually and as an ordered combination" to determine if there is an "inventive concept - i.e., an element or combination of elements that is sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself." *Id.* at 217-

18 (alteration in original) (internal quotations and citations omitted).¹

1. *Alice* Step One

Dropbox contends that the #437 patent is directed to the abstract idea of backing up data records. D.I. 10 at 10. I agree. For the purposes of this motion, I will treat claim 10 of the #437 patent as representative.²

¹ The Court in *Alice* literally said that this two-step framework is "for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts." 573 U.S. at 217. But as a matter of logic, I do not see how the first step of the *Alice/Mayo* framework can distinguish (or even help to distinguish) patents in terms of these two categories (i.e., the categories of (1) "patents that claim laws of nature, natural phenomena, and abstract ideas" and (2) patents "that claim patenteligible applications of [laws of nature, natural phenomena, and abstract ideas]"). *Both* categories *by definition* claim laws of nature, natural phenomena, and abstract ideas; and only one of *Alice's* steps (i.e., the second, "inventive concept" step) could distinguish the two categories. I therefore understand *Alice's* two-step framework to be the framework by which courts are to distinguish patents that claim eligible subject matter under § 101 from patents that do not claim eligible subject matter under § 101.

² Courts may treat a claim as representative where: (i) the claims are "substantially similar and linked to the same abstract idea," *Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat. Ass'n*, 776 F.3d 1343, 1348 (Fed. Cir. 2014), and (ii) "the patentee does not present any meaningful argument for the distinctive significance of any claim limitations not found in the representative claim," *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1365 (Fed. Cir. 2018). As the "Background" section of this memorandum demonstrates, *see supra* Section I, the claims of the #437 patent are substantially similar and directed to the same abstract idea. In addition, WhitServe did not challenge Drop box's treatment of claim 10 as representative or present any meaningful argument for the distinctive significance of any

As the preamble states, claim 10 is a "system for onsite backup for internetbased data." D.I. 1-1 at 4:14-15. "It is undisputed that institutions have long backed up data in general." *Intellectual Ventures I LLC v. Symantec Corp.*, 234 F. Supp. 3d 601, 607 (D. Del. 2017). Thus, courts have frequently found that claims directed to copying and storing information for backup purposes are directed to abstract ideas. *See id.* (claim for copying data to remote location directed to "the abstract idea of backing up data"); *Orcinus Holdings, LLC v. Synchronoss Tech., Inc.*, 379 F. Supp. 3d 857, 861 (N.D. Cal. 2019), *appeal docketed sub nom., Dropbox, Inc. v. Synchronoss Tech., Inc.*, No. 19-1823 (Fed. Cir. Apr. 30, 2019) (claim for "backing up data stored on a mobile [device]" is directed to an abstract idea); *Egenera, Inc. v. Cisco Sys., Inc.*, 234 F. Supp. 3d 331, 346 (D. Mass. 2017) ("setting up a disaster recovery backup site" is an abstract idea); *see also Uniloc USA, Inc. v. Big Fish Games, Inc.*, 320 F. Supp. 3d 1178, 1183 (W.D. Wash. 2018) (claim directed to "the concept of copying information from one location to another" is abstract).

WhitServe argues that Dropbox has oversimplified the claims, by omitting the specific structures and connections required by the claim. D.I. 13 at 11-12, 16. Claim 10, however, recites only generic computer components performing routine computer functions. Specifically, there is a "computer," a "database," and "data processing software," and the Internet. D.I. 1-1 at 4:14-50. The patents provide no technical details or limitations with respect to the components. Instead, the components are described in terms of routine,

claim limitation not found in claim 10. *See* D.I. 10 at 10-20; D.I. 13 at 11- 20.

conventional functions. The "computer" can be "central" or belong to a "client." *Id.* at 4:16-31. The database must "contain[] a plurality of data records." *Id.* at 4:19. The software is capable of "modifying" the data records by "updating and deleting" the data. *Id.* at 4:26-30. The computers are capable of sending over the internet a request for a copy of data records, receiving the request, and transmitting a copy of the requested data. *Id.* at 4:31-41.

Storing data is a "generic computer function[]" *In re TLI Commc 'ns LLC Patent Litig.*, 823 F.3d 607, 612 (Fed. Cir. 2016). "Updating data" is a "routine and conventional computer function." *Location Based Serv., LLC v. Niantic, Inc.*, 295 F. Supp. 3d 1031, 1055 (N.D. Cal. 2017). "[S]ending and receiving information" over a network are "routine computer functions." *Intellectual Ventures I LLC v. Erie Indem. Co.*, 850 F.3d 1315, 1329 (Fed. Cir. 2017). Accordingly, courts have repeatedly found that the specific components recited here were not enough to render the claims nonabstract. *See Alice*, 134 S. Ct. at 2360 (claims reciting "a general-purpose digital computer" are nevertheless "directed to" an abstract idea); *Mortg. Grader*, 811 F.3d at 1324-25 (claims reciting an "interface," "network," and a "database" are nevertheless directed to an abstract idea); *Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1320 (Fed. Cir. 2016) ("performance of an abstract idea on the Internet is abstract").

Finally, courts must distinguish between claims "directed to an improvement to computer functionality"-which are not abstract-and claims "simply adding conventional computer components to well-known business practices"-which are abstract. *TLI Commc 'ns*, 823 F.3d at 612 (quoting *En.fish*, 822

F.3d at 1335). WhitServe argues that the claims of the #437 patent are directed to "a specific improvement over the prior art in the field of data storage and data processing," namely, "offering multiple users at various locations Internet-based data processing capabilities while allowing the ability to edit and modify and transmit data records and further safeguard the data at a location without internet." D.I. 13 at 10, 14.

The claims, however, do not discuss the technological processes underlying the idea of allowing multiple users at various locations to modify, transmit, and safeguard data. Instead, the claims rely on the ordinary storage and transmission capabilities of computers within a network and apply that ordinary functionality in the particular context of onsite backup. Thus, I find that the claims are not directed to an improvement in computer functionality. *See Intellectual Ventures*, 234 F. Supp. 3d at 607-08 (finding that claims are not directed to improving computer functionality when they are only relying on ordinary components to perform routine functions in a particular environment).

2. Alice Step Two

In step two of *Alice*, the elements of the claim are considered, both individually and as an ordered combination, to assess whether the additional elements transform the nature of the claim into a patent-eligible application of the abstract idea. *Content Extraction*, 776 F.3d at 1347. To save a patent at step two, an inventive concept "must be evident in the claims." *Two-Way Media Ltd. v. Comcast Cable Commc'ns, LLC*, 874 F.3d 1329, 1338 (Fed. Cir. 2017).

WhitServe argues that "an inventive concept can be found in the nonconventional and non-generic arrangement of known, conventional pieces." D.I. 13 at 17 (quoting *Bascom Global Internet Serv., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1350 (Fed. Cir. 2016)). Specifically, WhitServe suggests that backup data was traditionally stored off site and the #43 7 patent improves on this arrangement by taking the nonconventional step of storing backup data onsite.

I find nothing inventive in how the #43 7 patent arranges the storage of backup data. It is a well-understood practice of human organization that backup copies are stored in a location separate and distinct from the original location. So, where the original location is onsite, it is conventional for the backup location to be offsite. This is the common scenario for companies that create disaster recovery plans for critical data.

But where the original location is offsite, it is equally common for the backup location to be onsite. This is the scenario where humans secure critical documents, such as wills, deeds, passports, or birth certificates, in a bank safe deposit box, but keep a copy at home for quick reference when needed. Similarly, every lawyer who has downloaded a document from the court's case docket on CM/ECF and saved the copy to their local computer has used the internet to create an onsite backup copy of offsite data that comes in handy on those days when CM/ECF is not accessible or convenient. Accordingly, the #43 7 patent is not saved by step two of *Alice*. Drop box's motion to dismiss is granted, because the #43 7 patent is directed to an abstract idea and, therefore, not eligible for patent protection pursuant to 35 U.S.C. § 101.

B. Preemption

According to WhitServe, Dropbox's motion should be denied, because it did not address the issue of preemption. D.I. 13 at 9-10. As the Supreme Court explained in *Alice*, granting a patent for laws of nature, natural phenomena, and abstract ideas would preempt the use of the "basic tools of scientific and technological work" that are the "building blocks of human ingenuity." *Alice*, 134 S. Ct. at 2354. Such patents would impede innovation rather than promoting it, as patent laws intend. *Id.*

Preemption, however, is not a separate and independent test under *Alice*. It is simply a "concern that undergirds [the court's] § 101 jurisprudence." *Id.* at 2358. In other words, "preemption *may* signal patent ineligible subject matter," *Ariosa Diagn.ostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (emphasis added), "but it is not *necessary*" to finding that a patent is ineligible under § 101, *Athena Diagrzostics, Inc. v. Mayo Collaborative Servs., LLC*, 915 F.3d 743, 752 (Fed. Cir. 2019). "[W]here a patent's claims are deemed only to disclose patent ineligible subject matter under the *Alice* framework, as they are in this case, preemption concerns are fully addressed and made moot." *Two-Way Media*, 874 F.3d at 1339; *see also Ariosa Diagnostics*, 788 F.3d at 1379 ("[Q]uestions on preemption are inherent in and resolved by the § 101 analysis."). Thus, Drop box was not required to raise and address the issue of preemption, as WhitServe contends.

C. Deciding§ 101 Motions to Dismiss Without Evidence

According to WhitServe, the Court must deny Dropbox's motion to dismiss, because Dropbox has

"not discussed or provided any evidence (no inventor testimony, no expert declarations, no citations to learned treatises, etc.)" to meet its burden of proving that the claims were "well-understood, routine or conventional" at the time of the patent. D.I. 13 at 6-9 (emphasis omitted).

The Federal Circuit has "repeatedly affirmed § 101 rejections at the motion to dismiss stage, before claim construction or significant discovery has commenced." *Cleveland Clinic Found. v. True Health Diagnostics LLC*, 859 F.3d 1352, 1360 (Fed. Cir. 2017); *see SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1166 (Fed. Cir. 2018) (stating that patent eligibility "may be, and frequently has been, resolved on a Rule 12(b)(6) or (c) motion"); *Secured Mail Solutions LLC v. Universal Wilde, Inc.*, 873 F.3d 905, 912 (Fed. Cir. 2017) (stating that claims may be found "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 quotation marks omitted)).

Improvements in technology described in the complaint or the patent specification may create fact questions which preclude resolving the eligibility question as a matter of law. *See, e.g., Berkheimer*, 881 F.3d at 1370 (claims reciting "a specific method of archiving that, according to the specification, provides benefits that improve computer functionality" raised a factual dispute regarding whether the claims recited only "well-understood, routine, and conventional" computer functions); *Aatrix Software, Inc. v. Green Shades Software, Inc.*, 882 F.3d 1121, 1127-28 (Fed. Cir. 2018) (vacating dismissal and reversing denial of leave where the proposed second amended complaint contained

"numerous," "specific," and "concrete" factual allegations directed to problems in computer functionality that were solved by the patented inventions).

There are, however, no concrete or specific allegations in WhitServe's complaint or discussions in the specification of the #437 patent regarding improvements in technology. Instead, for the reasons discussed above, the claims of the #437 patent are not directed to an improvement in computer functioning. Accordingly, there is no factual issue that would preclude me from deciding the patent eligibility of the #437 patent on a motion to dismiss.

D. Prior Decisions by the Federal Circuit and the USPTO

WhitServe asks the Court to defer to the decisions of the Federal Circuit and the USPTO that have, according to WhitServe, already found that the #437 patent is not abstract. The precedential value of each institution's decision is addressed in turn.

1. The Federal Circuit

In *WhitServe LLC v. Computer Packages, Inc.*, the Federal Circuit reviewed a jury's infringement and validity findings regarding four patents: US Patent Nos. 6,981,007 (the #007 patent); 5,895,468 (the #468 patent); 6,049,801 (the #801 patent); and 6,182,078 (the #078 patent). 694 F.3d 10, 17 (Fed. Cir. 2012). The #007 patent is in the same family as the patent at issue in this case, and the other three patents are unrelated. D.I. 13 at 4. The issue of patent eligibility was not before the court. Nevertheless, Judge Mayer stated in a dissent that the #468 and #078 patents should be found invalid under 35 U.S.C. § 101,

because they were directed to an abstract idea. *Computer Packages*, 694 F.3d at 39 (Mayer, J. dissenting). From this set of facts, WhitServe reasons as follows: (i) Judge Mayer said that only the #468 and #078 patents should be found invalid under § 101, therefore, Judge Mayer would find that the #007, which he did not mention, is in fact valid under § 101; and (ii) because the #437 patent and the #007 patent share a common written description, I should find that the #437 patent is valid for the same unstated reasons Judge Mayer presumably found the #007 patent valid.

For several reasons, the dissent in *Computer Packages* is wholly irrelevant to the issues that I need to resolve. First, the #437 patent at issue in this case was not at issue in that case. Second, WhitServe is not relying on the majority opinion, but on a dissent. Third, the portion of the dissent on which WhitServe relies is dicta, because the issue of patent eligibility was not before the appellate court. Fourth, the dicta on which WhitServe relies does not even mention the only patent in that case related to the patent in this case, i.e., the #007 patent. Finally, the *Computer Packages* case was decided two years before the Supreme Court's decision in *Alice* and, therefore, is not based on the legal standard that I must apply today. Accordingly, I find nothing helpful in *Computer Packages* with respect to the issues before me.

2. The United States Patent and Trademark Office

WhitServe argues that I should find the #437 patent eligible under § 101, because the USPTO examined and allowed the patent after the United States Supreme Court decided *Alice*. Assuming the

USPTO subjected the #437 patent to an *Alice* review, which DropBox questions due to the timing of the notice, the date of the *Alice* decision, and the targeted review conducted by the USPTO, the USPTO's decision does not resolve the issue before me.

The USPTO's decision finding a patent eligible is not binding on this court. *Cf. Fromson v. Advance Offset Plate, Inc.*, 755 F.2d 1549, 1555 (Fed. Cir. 1985) ("The Examiner's decision, on an original or reissue application, is never binding on a court."); *Belkin Int'l, Inc. v. Kappos*, 696 F.3d 1379, 1385 (Fed. Cir. 2012) ("Suffice it to say here that the courts have the final say on unpatentability of claims, not the PTO."). Accordingly, courts regularly find patents ineligible under § 101 even though those patents had been previously examined and allowed by the USPTO. *See, e.g., Bridge & Post, Inc. v. Verizon Commc 'ns, Inc.*, 2019 WL 2896449 (Fed. Cir. July 5, 2019) (affirming district court decision that patents were ineligible under 35 U.S.C. § 101); *Athena Diagnostics*, 915 F.3d at 746 (Fed. Cir. 2019); *OIP Tech., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1360 (Fed. Cir. 2015); *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 711 (Fed. Cir. 2014). For those reasons, I do not find helpful in deciding the issue before me the mere fact that the USPTO has allowed the #437 patent.

IV. CONCLUSION

For the foregoing reasons, I will grant Dropbox's motions to dismiss (D.I. 9). The Court will issue an Order consistent with this Memorandum. Dated: July 25, 2019


UNITED STATES DISTRICT JUDGE

[ENTERED JULY 25, 2019]

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

WHITSERVE LLC,)
 Plaintiff,) Civ. No. 18-665-CFC
v.)
DROPBOX, INC.,)
 Dropbox.)

ORDER

At Wilmington this Twenty-fifth day of July 2019,
IT IS HEREBY ORDERED, for the reasons set for in
the Memorandum issued this day, that

1. Dropbox's Motion to Dismiss (D.I. 9) is GRANTED;
2. United States Patent No. 8,812,437 is declared
INVALID;
3. Plaintiffs Complaint (D.I. 1) is DISMISSED WITH
PREJUDICE;
4. The clerk of the court is directed to close the case.

Dated: July 25, 2019



UNITED STATES DISTRICT JUDGE

[ENTERED JUNE 30, 2021]

NOTE: This order is nonprecedential.

**United States Court of Appeals
for the Federal Circuit**

WHITSERVE LLC,
Plaintiff-Appellant

v.

DROPBOX, INC.,
Defendant-Appellee

2019-2334

Appeal from the United States District Court for
the District of Delaware in No. 1:18-cv-00665-CFC,
Judge Colm F. Connolly.

ON PETITION FOR REHEARING EN BANC

Before MOORE, *Chief Judge*, NEWMAN,
LOURIE, SCHALL¹, DYK, PROST, O'MALLEY,
REYNA, WALLACH², TARANTO,
CHEN, HUGHES, and STOLL, *Circuit Judges*.

¹ Circuit Judge Alvin A. Schall participated only in the decision on the petition for panel rehearing.

² Circuit Judge Evan J. Wallach assumed senior status on May 31, 2021 and participated only in the decision on the petition for panel rehearing.

PER CURIAM.

O R D E R

WhitServe LLC filed a petition for rehearing en banc. The petition was first referred as a petition for rehearing to the panel that heard the appeal, and thereafter the petition for rehearing en banc was referred to the circuit judges who are in regular active service.

Upon consideration thereof,

IT IS ORDERED THAT:

The petition for panel rehearing is denied.

The petition for rehearing en banc is denied.

The mandate of the court will issue on July 7, 2021.

June 30, 2021

Date

FOR THE COURT
/s/ Peter R. Marksteiner
Peter R. Marksteiner
Clerk of Court