RECOGNICORP, LLC v. NINTENDO CO., LTD., Appeal No. 2016-1499 (Fed. Cir. April 28, 2017). Before Lourie, Reyna, and Stoll. Appealed from W.D. Wash. (Judge Jones).

Background:

RecogniCorp sued Nintendo for infringement of its patent directed to a method and apparatus for building a composite facial image using constituent parts. The district court found the claims ineligible subject matter and granted Nintendo's motion for judgment on the pleadings. RecogniCorp appealed.

Issue/Holding:

Did the district court err in granting Nintendo's motion for judgment on the pleadings? No, affirmed.

Discussion:

Representative claim 1 recites a method whereby a user displays images on a first display, assigns image codes to the images through an interface using a mathematical formula, and then reproduces the image based on the codes. The Federal Circuit found that the claim is directed to the abstract idea of encoding and decoding image data, which is an abstract concept long utilized to transmit information.

RecogniCorp invoked *Diehr* and *Enfish*. The Federal Circuit distinguished *Diehr* finding that claim 1 as a whole is not directed to patent eligible subject matter. It found that adding one abstract idea (math) to another abstract idea (encoding and decoding) does not render the claim non-abstract. The Federal Circuit similarly distinguished *Enfish* finding that claim 1 does not claim a software method that improves the functioning of a computer. Instead, it found that claim 1 recites a process that qualifies as an abstract idea for which computers are invoked merely as a tool. The Federal Circuit analogized to *Digitech* finding that claim 1 merely recited a method whereby a user starts with data, codes that data using at least one multiplication operation, and ends with a new form of data.

Regarding step two, RecogniCorp argued that the combination of claim elements, *i.e.*, the particular encoding process using the specific algorithm disclosed in the patent, transforms the abstract idea into a patentable invention. Contrasting its holding in *DDR Holdings*, the Federal Circuit held that nothing in claim 1 amounts to an inventive concept for resolving a particular Internet-centric problem. Citing *Alice*, it stated that "[n]othing 'transforms' the abstract idea of encoding and decoding into patent-eligible subject matter" and held that a claim directed to an abstract idea does not automatically become eligible merely by adding a mathematical formula.

Finally, the Federal Circuit noted that in *BASCOM*, the patent owner alleged that an inventive concept can be found in the ordered combination of claim limitations that transform the abstract idea of filtering content into a particular, practical application of that abstract idea. The Federal Circuit had found that allegation sufficient to survive a motion to dismiss. Here, however, RecogniCorp did not allege a particularized application of encoding and decoding image data.

Thus, the Federal Circuit affirmed the district court's grant of Nintendo's motion for judgment on the pleadings.

Claim 1 of U.S. Patent No. 8,005,303

1. A method for creating a composite image, comprising:

displaying facial feature images on a first area of a first display via a first device associated with the first display, wherein the facial feature images are associated with facial feature element codes;

selecting a facial feature image from the first area of the first display via a user interface associated with the first device, wherein the first device incorporates the selected facial feature image into a composite image on a second area of the first display, wherein the composite image is associated with a composite facial image code having at least a facial feature element code and wherein the composite facial image code is derived by performing at least one multiplication operation on a facial code using one or more code factors as input parameters to the multiplication operation; and

reproducing the composite image on a second display based on the composite facial image code.