UNILOC USA, INC. v. LG ELECTRONICS USA, INC., Appeal No. 2019-1835 (Fed. Cir. April 30, 2020). Before Moore, Reyna, and Taranto. Appealed from N.D. Cal. (Judge Koh).

Background:

Uniloc sued LG for infringing a patent directed to an improved communication system between a primary station (such as a base station) and at least one secondary station (such as a mobile device). Conventionally, primary stations broadcast inquiry messages to invite new devices to join a network and separately conduct polling to parked devices (devices that are already connected but not currently having an active communication) to check if there is any data for transmission. The patented system improved such systems by allowing the primary stations to add an additional data field as part of an inquiry message, enabling the primary stations to send inquiry messages and conduct polling simultaneously. This change reduced latency experienced by the parked devices.

LG moved to dismiss Uniloc's infringement claim under Fed. R. Civ. P. 12(b)(6), arguing that the asserted claims are ineligible under 35 U.S.C. §101 as being directed to an abstract idea and not reciting an inventive concept. The district court granted LG's motion. Uniloc appealed.

Issue/Holding:

Did the district court err in finding the claims ineligible under §101? Yes, reversed and remanded.

Discussion:

The Federal Circuit explained that the patent's purported improvement, i.e., reducing latency experienced by the parked devices, is a patent-eligible improvement to computer functionality, similar to *Enfish*[1] (improving data management of a computer, allowing more efficient launching and adaptation of databases), *Visual Memory*[2] (improving computer capabilities, namely accommodation of different types of processors without compromising performance), and *Ancora Technologies*[3] (addressing the "vulnerability of license-authorization software to hacking" and thus providing a solution to a computer-functionality problem).

LG did not dispute that reducing latency is a patent-eligible improvement to computer functionality, but argued that the claims are not sufficiently directed to this purported improvement. LG cited *Digitech*[4] where the Federal Circuit found claims reciting "a process of taking two data sets and combining them into a single data set" ineligible because the claim features alone did not directly result in the purported improvement of reducing image distortion.

However, the Federal Circuit distinguished *Digitech* stating that, in this case, the claimed feature of "adding to each inquiry message prior to transmission an additional data field for polling at least one secondary station" is not merely a generalized step but is a specific change in a manner of transmitting data which directly results in the purported improvement of reducing latency for peripheral devices.

[1] *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016).
[2] *Visual Memory LLC v. NVIDIA Corp.*, 867 F.3d 1253 (Fed. Cir. 2017).
[3] *Ancora Technologies, Inc. v. HTC America, Inc.*, 908 F.3d 1343 (Fed. Cir. 2018).
[4] *Digitech Image Technologies, LLC v. Electronics for Imaging, Inc.*, 758 F.3d 1344 (Fed. Cir. 2014).