

CONTOUR IP HOLDING LLC v. GOPRO, INC., Appeals Nos. 2022-1654, 2022-1691 (Fed. Cir. Sept. 9, 2024). Before Prost, Schall, and Reyna. Appealed from N.D. Cal. (Judge Orrick).

Background:

Contour twice sued GoPro for alleged infringement of claims of its patents directed to POV video cameras. In the first lawsuit, the court construed the claim term "generate" as to "record in parallel from the video image data." And in the second lawsuit, which asserted the same patents against newer GoPro products, GoPro challenged the asserted claims as being ineligible under 35 U.S.C. §101. GoPro raised its challenge in the second lawsuit as a motion for judgment on the pleadings after another Federal Circuit decision directed to similar subject matter found the asserted claims to be ineligible under §101 as being directed to an abstract idea.

The district court initially denied the motion, but GoPro again argued at summary judgment that the asserted claims were ineligible under §101. The district court agreed with GoPro this time, characterizing the asserted claims under the first step of the *Alice* analysis as being directed to the abstract idea of "creating and transmitting video (at two different resolutions) and adjusting the video's settings remotely." And for step two of the *Alice* analysis, the court concluded that the asserted claims recite only functional, results-orientated language with "no indication that the physical components are behaving in any way other than their basic, generic tasks." The district court therefore entered judgment against Contour.

Issue/Holding:

Did the district court err in holding the asserted claims to be ineligible under §101? Yes, reversed and remanded.

Discussion:

The Federal Circuit began by characterizing the first step of the *Alice* analysis as examining the "focus of the claimed advance over the prior art." And to do so, the Federal Circuit held that it was necessary to look to whether the claims are directed to "a specific means or method that improves the relevant technology" rather than simply being directed to "a result or effect that itself is the abstract idea."

Here, the Federal Circuit held that the asserted claims are directed to a specific means that improves the relevant technology. The court particularly focused on the "generate" limitation and its construction given by the district court requiring "parallel data stream recording with the low-quality recording wirelessly transferred to a remote device," which the Federal Circuit was convinced provided a technological improvement. The Federal Circuit also (i) chastised the district court for characterizing the claims at an impermissibly high level of generality, (ii) stated that the claims employing known or conventional components alone does not necessarily mean that they are directed to an abstract idea at step one of the *Alice* analysis, and (iii) distinguished the facts of this case from past decisions cited by GoPro.

Finally, the Federal Circuit held that, because the claims are not directed to patent ineligible subject matter under step one of the *Alice* inquiry, there was no need to proceed to step two.