

Alice Saves Amazon, Barnes & Noble From Not-So-Novel Idea

By **Michael Lipkin**

Law360, San Diego (December 18, 2014, 8:25 PM ET) -- A Delaware federal judge on Thursday invalidated a pair of digital file identification patents used to sue Amazon.com Inc. and Barnes & Noble Inc., ruling they described nothing more than an abstract idea under the U.S. Supreme Court's Alice Corp. decision.

U.S. District Judge Sue L. Robinson granted Amazon and Barnes & Noble's joint motion for invalidity in Cloud Satchel LLC's two suits against the retailers. The patents described a way to transfer location information for documents, allowing mobile users to access a host of files without being limited by the memory on their device.

Judge Robinson held the patents essentially described the abstract idea of cataloging documents to aid retrieval efforts, a concept the defendants had called "as old as libraries themselves," dating back two millennia.

"The length or specificity of the asserted claims does not prevent the claims from fundamentally reciting an abstract idea where, as here, the claim language does nothing more than describe the contours of the cataloging process," Judge Robinson wrote.

Cloud Satchel launched its suits in May 2013 and said the defendants' arguments oversimplified the patents' claims. While the patented ideas do facilitate the identification and retrieval of documents from storage, they do so in a specific way, with portable devices that have less memory than centralized databases, Cloud Satchel said.

But those limitations were not an "inventive concept" sufficient to transform that idea into patent-eligible subject matter, according to the ruling. It was an inherent limitation to cataloging that the mobile devices would have less memory than the larger database, Judge Robinson wrote. Other restrictions, including using computers with processors and receivers, were also generic because they applied to virtually every portable computer, according to the opinion.

"Plaintiff is unable to meaningfully address the fact that the specification unambiguously states that the portable electronic reference transport device may be any 'suitable' portable computer," Judge Robinson wrote.

Cloud Satchel said the ruling showed a lack of guidance on patent-eligible subject matter and misapplied

the Alice ruling.

"This concern is evident in the fact that this court has issued two nearly identical 101 orders in just the past week," the company said. "We are hopeful the Federal Circuit will correct this overreaction, which if allowed to stand has the potential to significantly diminish the value of many existing patents – including Amazon's own 'One-Click' technology -- and dissuade the research and development efforts of companies both large and small."

Attorneys for the defendants did not immediately respond Thursday to requests for comment.

The patents-at-issue are U.S. Patent Numbers 5,862,321 and 6,144,997.

Cloud Satchel is represented by Stamatios Stamoulis and Richard C. Weinblatt of Stamoulis & Weinblatt LLC and Anthony G. Beasley, David Swenson and Peter Thomas of Farney Daniels PC.

Amazon is represented by Steven J. Balick, Lauren E. Maguire and Andrew C. Mayo of Ashby & Geddes PA and Abby M. Mollen, Adam K. Mortara, Mark S. Ouweleen and Sharon R. Desh of Bartlit Beck Herman Pelenchar & Scott LLP. Barnes & Noble is represented by Philip A. Rovner and Jonathan A. Choa of Potter Anderson & Corroon LLP and Ali R. Sharifahmagidan, James S. Blackburn, John E. Nilsson, Matthew M. Wolf and Seth I. Heller of Arnold & Porter LLP.

The cases are Cloud Satchel LLC v. Amazon Inc., case number 1:13-cv-00941, and Cloud Satchel LLC v. Barnes & Noble Inc., case number 1:13-cv-00942, both in the U.S. District Court for the District of Delaware.

--Editing by Patricia K. Cole.