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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

DKR Consulting, LLC,
Plaintiff,

v.

Shopify, Inc.,
Defendant.

Case No. 2:23-cv-06904-HDV-JCx

**ORDER GRANTING DEFENDANT'S
MOTION TO DISMISS [DKT. NO. 37]**

I. INTRODUCTION

Plaintiff DKR Consulting, LLC (“DKR”) brings this action against Defendant Shopify, Inc. (“Shopify”), asserting patent infringement under 35 U.S.C. § 271. DKR asserts Shopify infringed the following four patents related to web widget technology for electronic commerce (“e-commerce”): U.S. Patent Nos. 10,846,785 (the “’785 Patent”); 11,157,995 (the “’995 Patent”); 11,455,678 (the “’678 Patent”); and 11,488,237 (the “’237 Patent”) (collectively, the “Asserted Patents”).¹ First Amended Complaint (“FAC”) ¶¶ 1, 69, 79, 87, 97 [Dkt. No. 36].

Before the Court is Shopify’s Motion to Dismiss the FAC (“Motion”) brought under Federal Rule of Civil Procedure 12(b)(6). [Dkt. No. 37].² Shopify contends the Asserted Patents claim only an abstract idea and are therefore patent-ineligible under *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208 (2014). The Court agrees, and grants Shopify’s motion.

II. BACKGROUND

Defendant Shopify is a Canadian company that makes and sells e-commerce software products and services, including its own application programming interfaces (APIs). FAC ¶ 7. DIY Media, Inc., a nonparty in this action, previously owned the Asserted Patents, and discussed business collaborations with Shopify from 2011 to 2015. *Id.* ¶¶ 3, 21. Around this time, Shopify allegedly obtained DIY Media’s confidential technical information, including the technology behind the Asserted Patents. *Id.* ¶ 20.

Plaintiff DKR now owns the four Asserted Patents. *Id.* ¶¶ 2, 26, 28–30, 41–43, 47–49, 53–55. These Patents each seek to solve existing problems with, and improve upon, web widget³

¹ The United States Patent and Trademark Office issued these four patents from 2020 to 2022. FAC ¶¶ 28, 41, 47, 53.

² The Motion is fully briefed. *See* DKR’s Opposition (“Opp.”) [Dkt. No. 40]; Shopify’s Reply [Dkt. No. 41]. The Court heard oral argument on May 9, 2024 and took the Motion under submission. [Dkt. No. 44].

³ The Asserted Patents define a “web widget” as, “portable software that can be installed and executed within a hypertext-markup-language web page by an end user that does not require additional compilation.” ’785 Patent at col. 1:62–65. Examples of web widgets are “discrete applications . . . that allow users to turn personal content into dynamic web applications which can be shared on virtually any website.” *Id.* at col. 1:66–67 to 2:1–2.

1 technology, in part to “exploit social media marketing trends to engage in purchase transactions . . .
 2 over the rapidly growing number of mobile networks and associated mobile devices.” *Id.* ¶ 36
 3 (quoting ’678 Patent at col. 1:7–17); *see id.* ¶¶ 37, 46, 52, 56. The Asserted Patents are each
 4 described below.

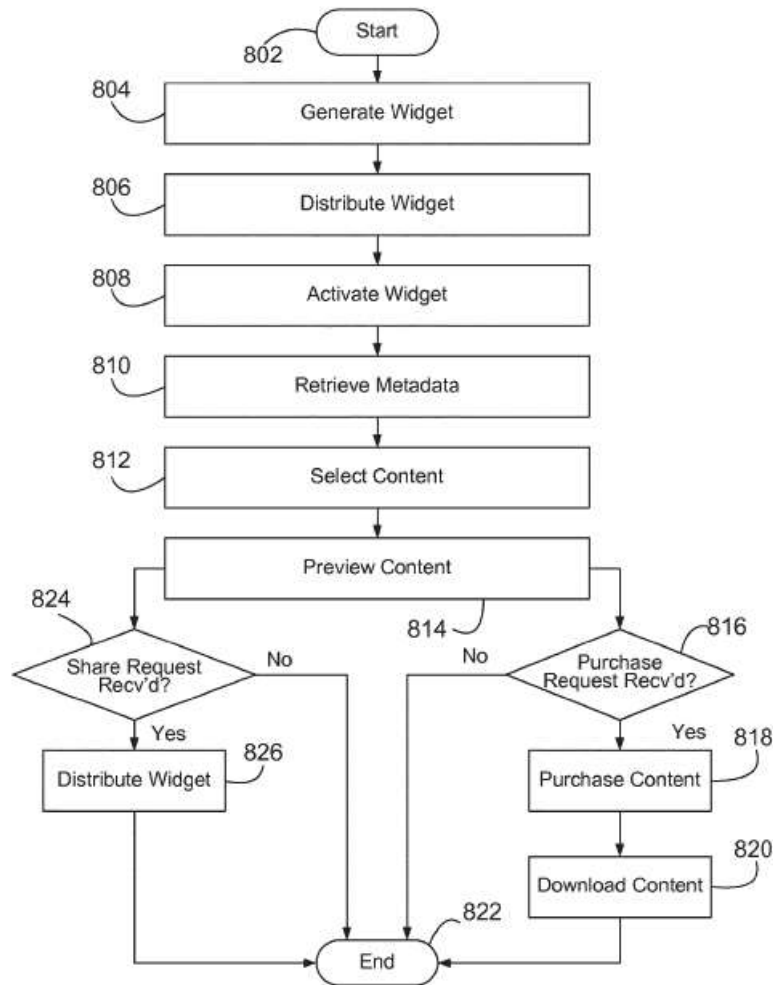
5 **A. The ’678 Patent**

6 Patent ’678 is titled, “System and Method for Distributable E-Commerce Product Listings”
 7 and was issued on September 27, 2022. FAC, Ex. 3 at 1. This alleged innovation is meant to handle
 8 technological problems associated with the processing of commercial transactions via an “enhanced
 9 widget.” *Id.* ¶ 40.

10 Claim 1 of the ’678 Patent recites:

11 A system for distributing multimedia content over a network, comprising:
 12 a server configured to control a transaction processing service; and
 13 a storage resource communicatively coupled to the server and configured to
 store an item, wherein the item comprises an identifier, multimedia content, and
 metadata,
 14 wherein the server is configured to:
 receive the item from the storage resource;
 15 execute a widget builder resource configured to generate a product listing,
 16 wherein the product listing includes: (i) information associated with the item, (ii) a
 marketplace rule, and (iii) a clickable buy button;
 17 distribute the product listing to a web site or a distributed application, where
 18 in the product listing is configured to be displayed on the web site or the distributed
 application based on the marketplace rule;
 19 receive an indication that the clickable buy button has been selected by a
 remote computing device; and
 20 provide a checkout screen to the remote computing device, wherein the
 transaction processing service is configured to process a payment for a purchase of a
 21 product associated with the product listing, the purchase initiated from the checkout
 screen using the remote computing device.
 22

23 ’678 Patent at col. 18:42–67. The flow chart below illustrates “a method for distributing multimedia
 24 content using a web widget in an embodiment.” *Id.* at col. 2:53–54.



B. The '785 Patent

Patent '785 is titled, "System and Method for Generating and Distributing Embeddable Buy Buttons" and was issued on November 24, 2020. FAC, Ex. 1 at 1. Patent '785 is specifically concerned with embedding a "buy" button that allows a commercial transaction to be completed in an e-commerce store. *Id.* ¶ 45. Claim 1 of this patent recites "the concept of having the enhanced widget (referred to as an 'embeddable buy button') execute on a separate server from the web site into which the buy button is embedded." Opp. at 13.

Claim 1 of the '785 patent recites:

A method for embedding a buy button for an electronic commerce store, comprising:

receiving, by an embeddable buy button builder executing on a first server operated by a buy button provider, a selection of an item from an inventory and a

representation of the item, wherein the item is to be listed for sale on the first electronic commerce store;

generating, by the first server, the embeddable buy button, wherein the embeddable buy button is configured to display the representation of the item, and a hyperlink; and

embedding, by the buy button provider, the embeddable buy button into a web site, wherein the web site is executed by a second server not operated by the buy button provider,

wherein the electronic commerce store is displayed within the web site upon selection of the hyperlink, the electronic commerce store configured to facilitate payment processing related to a purchase of the item, and wherein the electronic commerce store is operated by the buy button provider.

'785 Patent at col. 18:42–61.

C. The '995 Patent

Patent '995 is titled, "System and Method for Generating and Distributing Embeddable Electronic Commerce Stores" and was issued on October 26, 2021. FAC, Ex. 2 at 1. Patent '995 is concerned with "generating an embeddable electronic commerce store" that is "embeddable into various sales channels, such as web pages and social media networks." *Id.* ¶ 51; Ex. 2 at 1.

Claim 1 of the '995 Patent recites:

A system for generating an electronic commerce store, comprising:
an application server, the application server controlling a transaction processing service;

a storage resource communicatively coupled to the application server, the storage resource storing an image and metadata related to a product;

a widget builder resource configured to:
receive the image and metadata from the storage resource; and
generate a product listing, wherein the product listing includes the image, the metadata, and a clickable link, wherein the clickable link is a buy button and includes a preview of the product, and

wherein the application server is configured to embed the product listing into a web site and into a social media network, and

wherein when the application server receives an indication that the clickable link has been activated by a client device in Internet communication with the web site, the application server provides a checkout screen to the client device, wherein the transaction processing service processes a payment transaction for a purchase of the product initiated from the checkout screen using the client device.

'995 Patent at col.18: 42–67.

1 2 **D. The '237 Patent**

3 Patent '237 is titled, "System and Method for Facilitating Social Shopping" and was issued
4 on November 1, 2022. FAC, Ex. 4 at 1. Patent '237 discloses "a portable web widget for
5 distribution of e-commerce content." *Id.* ¶ 56.

6 Claim 1 of the '237 Patent recites:

7 A system for generating an electronic commerce store, comprising:
8 an application server configured to control a transaction processing service;
9 and
10 a storage resource communicatively coupled to the application server, the
11 storage resource storing information related to a product, the information comprising:
12 (i) multimedia content associated with the product and (ii) metadata associated with
13 the product,
14 the application server configured to:
15 receive the information from the storage resource;
16 execute a widget builder resource configured to generate a product listing,
17 wherein the product listing includes: (i) a preview of the product based on the
18 information from the storage resource and (ii) a clickable link, wherein the clickable
19 link comprises a buy button;
20 distribute the product listing to a web site or a distributed application, wherein
21 the product listing is configured to be displayed on the web site or the distributed
22 application;
23 receive an indication that the clickable link has been selected by a remote
24 computing device; and
25 provide a checkout screen to the remote computing device, wherein the
26 transaction processing service is configured to process a payment for a purchase of
27 the product initiated from the checkout screen using the remote computing device.
28

'237 Patent at col. 18:39–65.

21 **III. LEGAL STANDARD**

22 **A. Rule 12(b)(6)**

23 Under Rule 12(b)(6), a party may move to dismiss a complaint for failure to state a claim
24 upon which relief may be granted. "To survive a motion to dismiss, a complaint must contain
25 sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'"
26 *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570).
27 "A claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw
28

1 the reasonable inference that the defendant is liable for the misconduct alleged.” *Iqbal*, 556 U.S. at
2 678. Only where a plaintiff fails to “nudge[] [his or her] claims . . . across the line from conceivable
3 to plausible[,]” is the complaint properly dismissed. *Id.* at 680.

4 While the plausibility requirement is not a probability assessment, it demands more than “a
5 sheer possibility that a defendant has acted unlawfully.” *Id.* at 678. The determination of whether a
6 complaint satisfies the plausibility standard is a “context-specific task that requires the reviewing
7 court to draw on its judicial experience and common sense.” *Id.* at 679.

8 **B. 35 U.S.C. § 101**

9 In a patent infringement action, a party accused of infringement may move for dismissal
10 under 35 U.S.C. § 101 on the ground that the claimed invention is ineligible for protection under the
11 Patent Act and the patent is therefore invalid. On this type of motion, the moving party bears the
12 burden of establishing that the claims are patent-ineligible under Section 101. *Mod. Telecom Sys.*
13 *LLC v. Earthlink, Inc.*, No. 14-cv-0347-DOC, 2015 WL 1239992, at *7 (C.D. Cal. Mar. 17, 2015).
14 In performing this analysis, a court construes the patent claims in a manner most favorable to the
15 plaintiff. *See Content Extraction & Transmission LLC v. Wells Fargo Bank, Nat. Ass’n*, 776 F.3d
16 1343, 1349 (Fed. Cir. 2014).

17 **IV. DISCUSSION**

18 Shopify moves for dismissal on the ground that the Asserted Patents are invalid under 35
19 U.S.C. § 101. Section 101 of the Patent Act provides that a patent may be obtained for “any new
20 and useful process, machine, manufacture, or composition of matter, or any new and useful
21 improvement thereof.” 35 U.S.C. § 101. The U.S. Supreme Court has “long held that [Section 101]
22 contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are
23 not patentable.” *Alice*, 573 U.S. at 216.

24 In *Alice*, the Supreme Court articulated a two-step framework⁴ for determining whether a
25 patent claims eligible subject matter. First, courts ask “whether the claims at issue are directed to
26 one of those patent-ineligible concepts.” *Id.* at 217 (citation omitted). If so, courts then “consider

27 ⁴ This framework was initially set out in *Mayo Collaborative Services v. Prometheus Laboratories,*
28 *Inc.*, 566 U.S. 66 (2012).

the elements of each claim both individually and as an ordered combination to determine whether the additional elements transform the nature of the claim into a patent-eligible application.” *Id.* In its Motion, Shopify contends that the Asserted Patents are invalid because the claims fall within the “abstract ideas” exception to Section 101.

A. Evidentiary Objection

The Court begins its analysis by addressing Shopify’s objection to DKR’s declaration by Arthur Keller, Ph.D, submitted with the FAC. *See* Declaration of Arthur Keller, Ph.D., FAC, Exhibit 5 [Dkt. No. 36-5]. DKR retained Dr. Keller as an expert witness on patent eligibility. *Id.* ¶¶ 1–2. Shopify asks the Court to disregard the declaration because it is not a “written instrument” and therefore is not properly incorporated into the complaint. Motion at 22.

Shopify is correct. When ruling on a motion to dismiss, courts can only consider the pleadings and any documents that are incorporated by reference therein or that are properly the subject of judicial notice. *Gerritsen v. Warner Bros. Ent. Inc.*, 112 F. Supp. 3d 1011, 1020 (C.D. Cal. 2015); *see also* Fed. R. Civ. P. 10 (permitting a copy of a written instrument as an exhibit to a pleading). Declarations are not permitted as pleading exhibits unless they form the basis of the complaint, which is the not the case here. *See United States v. Ritchie*, 342 F.3d 903, 908 (9th Cir. 2003).⁵ Consequently, the Court disregards the declaration submitted with the FAC.

B. Representative Claims

When reviewing a Section 101 challenge, a district court need not address each claim of an asserted patent. Instead, it may find that particular claims are representative because all of the claims are “substantially similar and linked to the same abstract idea.” *Content Extraction*, 776 F.3d at 1348 (citation omitted). Where claims “contain only minor differences in terminology but require performance of the same basic process, [] they should rise or fall together.” *Smart Sys. Innovations, LLC v. Chicago Transit Auth.*, 873 F.3d 1364, 1368 n.7 (Fed. Cir. 2017) (citation omitted).

⁵ “When ruling on a Rule 12(b)(6) motion to dismiss, if a district court considers evidence outside the pleadings, it must normally convert the 12(b)(6) motion into a Rule 56 motion for summary judgment, and it must give the nonmoving party an opportunity to respond.” *United States v. Ritchie*, 342 F.3d 903, 907 (9th Cir. 2003). DKR has not provided a compelling reason for the Court to do so here. The Court declines to convert the motion to a motion for summary judgment.

1 Moreover, “[c]ourts may treat a claim as representative . . . if the patentee does not present any
2 meaningful argument for the distinctive significance of any claim limitations not found in the
3 representative claim” *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1365 (Fed. Cir. 2018) (citation
4 omitted).

5 Shopify contends that Claim 1 of each of the four Asserted Patents is representative of all
6 asserted claims. Motion at 4. DKR disagrees, arguing that Claim 1 of each of the Asserted Patents
7 are not representative because the terms used are open to more than one construction. Opp. at 10. It
8 suggests that claim construction is required before a Section 101 analysis is proper. *Id.*

9 But the Federal Circuit requires more. “A patentee must do more than invoke a generic need
10 for claim construction or discovery to avoid grant of a motion to dismiss under § 101. Instead, the
11 patentee must propose a specific claim construction or identify specific facts that need development .
12 . . .” *Trinity Info Media, LLC v. Covalent, Inc.*, 72 F.4th 1355, 1360–61 (Fed. Cir. 2023). DKR
13 merely argues that certain claims “may require construction,” Opp. at 10, but does not propose a
14 claim construction nor identify specific facts needing development. Such basis, alone, is insufficient
15 for the Court to bypass a Section 101 analysis.

16 The Court’s review confirms that Claim 1 of each of the Asserted Patents contain “only
17 minor differences in terminology but require performance of the same basic process.” *Smart Sys.*
18 *Innovations*, 873 F.3d at 1368 n.7. For example, Claim 1 of the ’785 Patent recites a “method for
19 embedding a buy button for an electronic commerce store” and all subsequent claims of the ’785
20 Patent elaborate on the method and system of using two servers to generate and distribute a “buy
21 button” that may be embedded in an e-commerce website. Similarly, the claims that follow Claim 1
22 of the ’995 Patent—which discloses a “system for generating an electronic commerce store”—detail
23 the use of a content management system to generate an e-commerce store embeddable in social
24 media websites. Further, Claim 1 of the ’678 Patent recites a “system for distributing multimedia
25 content over a network” to provide a checkout screen to process a payment. The remaining claims
26 of that patent elaborate on the system with minor terminology differences, such as detailing that “the
27 remote computing device is a smartphone.” ’678 Patent at col. 19:3–4, 47–48; col. 20:36–37. The
28 same can be said of Claim 1 of the ’237 Patent, which recites a particular configuration and process

1 to generate an e-commerce store, and which represents the same basic process as the claims that
 2 follow it.

3 In sum, all the claims in these patents describe inventions that are substantially similar and
 4 linked to the same idea. The Court therefore finds that Claim 1 of each of the Asserted Patents is
 5 representative of the other claims within those patents.

6 C. Step One of the *Alice* Analysis

7 The Court next analyzes the two-step *Alice* test for the representative claims. Shopify argues
 8 that all claims of the Asserted Patents are ineligible for patent protection because they are directed to
 9 the abstract idea of combining a product advertisement with an order form. Motion at 11–14.
 10 According to Shopify, the claims simply use conventional computer technology to implement this
 11 abstract idea. *Id.* DKR contends the claims of the Asserted Patents are instead directed to
 12 enhancements in web widget technology and functionality. *Opp.* at 12–17.

13 To determine whether a claim is directed to an abstract idea, courts examine what the subject
 14 patent aims to advance. *Finjan, Inc. v. Blue Coat Sys., Inc.*, 879 F.3d 1299, 1303 (Fed. Cir. 2018)
 15 (citation omitted). For software innovation claims, such as those presented here, courts consider
 16 whether the claims focus on a “process that qualifies as an abstract idea for which computers are
 17 invoked merely as a tool,” in contrast to claims that focus on a “specific asserted improvement in
 18 computer capabilities.” *Id.* (citation omitted); *see id.* at 1305 (finding the asserted claims were
 19 directed to a non-abstract improvement in computer functionality because they “employ[ed] a new
 20 kind of file that enable[d] a computer security system to do things it could not do before”); *McRO,*
 21 *Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314 (Fed. Cir. 2016) (explaining that courts
 22 may evaluate whether the claims are “directed to a result or effect that itself is the abstract idea and
 23 merely invoke generic processes and machinery”); *Adasa Inc. v. Avery Dennison Corp.*, 55 F.4th
 24 900, 908 (Fed. Cir. 2022) (“If the focus of the claim is a specific and concrete technological
 25 advance, for example an improvement to a technological process or in the underlying operation of a
 26 machine, our inquiry ends and the claim is eligible.”), *cert. denied*, 143 S. Ct. 2561 (2023). A claim
 27 is directed to an abstract idea if it “consist[s] only of generalized steps to be performed on a
 28 computer using conventional computer activity.” *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838

1 F.3d 1253, 1260 (Fed. Cir. 2016) (citation omitted). Moreover, a claim must “ha[ve] the specificity
 2 required to transform [the] claim from one claiming only a result to one claiming a way of achieving
 3 it.” *SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1167 (Fed. Cir. 2018); *see also Interval*
 4 *Licensing LLC v. AOL, Inc.*, 896 F.3d 1335, 1343 (Fed. Cir. 2018) (explaining that patent ineligible
 5 claims “failed to recite a practical way of applying an underlying idea [and] instead were drafted in
 6 such a result-oriented way that they amounted to encompassing the ‘principle in the abstract’ no
 7 matter how implemented”).

8 The Court concludes that the claims at issue here are directed to an abstract idea—
 9 specifically, that of combining an order form with a product advertisement, through the use of
 10 conventional computer technology. While the Asserted Patents aver that they improve the
 11 effectiveness of web widgets to distribute content widely and enable merchants to utilize social
 12 media to engage customers,⁶ the idea of enhancing web widgets does not constitute an advance in
 13 computer functionality. *See Customedia Techs., LLC v. Dish Network Corp.*, 951 F.3d 1359, 1365
 14 (Fed. Cir. 2020) (“[I]mproving a user's experience while using a computer application is not, without
 15 more, sufficient to render the claims directed to an improvement in computer functionality.”).

16 To the contrary, the claims at issue here use conventional computer technology as a tool to
 17 facilitate e-commerce. Claim 1 of the ’785 Patent is a method for generating an embeddable buy
 18 button through the use of a second server. This analogous use of conventional computer components
 19 has been rejected as patent ineligible. *See Intell. Ventures I LLC v. Cap. One Bank (USA)*, 792 F.3d
 20 1363, 1371 (Fed. Cir. 2015) (“[T]he transmission of information derived from that entered data to a
 21 computer user, all through the use of conventional computer components, such as a database and
 22 processors, operating in a conventional manner. . . do not confer patent eligibility.” (citations
 23 omitted)). Claim 1 of the ’995 Patent, ’678 Patent, and ’237 Patent are systems that utilize an

24
 25 ⁶ Specifically, the Asserted Patents state: “[T]here is a significant and growing need for web widgets
 26 with enhanced capabilities that will enable content owners to more effectively use viral distribution
 27 of multimedia content and to exploit social media marketing trends to engage in purchase
 28 transactions and other forms of electronic commerce directly with current and prospective customers
 from web widgets over the Internet and over the rapidly growing number of mobile networks and
 associated mobile devices.” ’785 Patent at col. 2:11–17; ’995 Patent at col. 2:11–17; ’678 Patent at
 col. 2:11–17; ’237 Patent at col. 2:11–17.

1 application server, storage resource, and widget builder resource, all interacting to generate or
2 distribute a checkout screen to facilitate online shopping on an e-commerce website or social media
3 network. This type of system merely invokes the generic process of servers and other devices
4 communicating information to one another. *See Alice*, 573 U.S. at 225 (finding that the use of a
5 computer to “obtain data, adjust account balances, and issue automated instruction” did “no more
6 than require a generic computer to perform generic computer functions.”). These claims focus on
7 making e-commerce more efficient with the use of conventional computer technology, but they do
8 not improve the underlying technology itself.

9 DKR argues the claims at issue here are more akin to those found patent eligible in *DDR*
10 *Holdings v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014). *Opp.* at 18–21. The patent at issue in
11 *DDR* claimed technology that, after a website visitor clicks on an advertisement, directs the visitor to
12 a hybrid web page that looked and felt like the initial host website, wherein the hybrid web page
13 combined the initial host’s website with a third-party merchant’s website. This is not unlike the
14 claimed technology here, which seeks to create a means for a website visitor to complete an
15 e-commerce transaction in one webpage.

16 In this case, however, there is an important distinction. Although the claimed technology in
17 *DDR* may be similar to the technology at issue here, the claims themselves are not. In *DDR*, the
18 Federal Circuit considered other cases that found software-related patents ineligible. *DDR*, 773 F.3d
19 at 1256. It identified a common thread among those cases finding ineligibility: “Under Supreme
20 Court precedent, th[ose] claims were recited too broadly and generically to be considered
21 sufficiently specific and meaningful applications of their underlying abstract ideas.” *Id.* The Court
22 continued, “Although many of the claims recited various computer hardware elements, these claims
23 in substance were directed to nothing more than the performance of an abstract business practice on
24 the Internet or using a conventional computer. Such claims are not patent-eligible.” *Id.* The Federal
25 Circuit went on to find that the claims in *DDR* were distinguishable because “they do not merely
26 recite the performance of some business practice known from the pre-Internet world along with the
27 requirement to perform it on the Internet. Instead, the claimed solution is necessarily rooted in
28

1 computer technology in order to overcome a problem specifically arising in the realm of computer
2 networks.” *Id.* at 1257.

3 Here, the Court finds that the claims in the Asserted Patents are analogous to the kinds of
4 claims rejected in *DDR*—viz., ones that seek to perform age-old business practices on the Internet.
5 Indeed, the Asserted Patents recite a means of combining a product advertisement with an order
6 form in one place, which is a “business practice known from the pre-Internet world.” *DDR*, 773
7 F.3d at 1257.

8 **D. Step Two of the *Alice* Analysis**

9 In the second step of the *Alice* test, courts look for an “inventive concept,” that is, “an
10 element or combination of elements that is sufficient to ensure that the patent in practice amounts to
11 significantly more than a patent upon the [ineligible concept] itself.” *Alice*, 573 U.S. at 217. This
12 step is satisfied when the claim limitations “involve more than performance of well-underst[ood],
13 routine, [and] conventional activities previously known to the industry,” which is a question of fact.
14 *Content Extraction*, 776 F.3d at 1347–48 (citation omitted); *Aatrix Software, Inc. v. Green Shades*
15 *Software, Inc.*, 882 F.3d 1121, 1128 (Fed. Cir. 2018).

16 To survive step two, claims to “an abstract idea implemented on generic computer
17 components” must “provid[e] a specific technical solution beyond simply using generic computer
18 concepts in a conventional way.” *Bascom Glob. Internet Servs., Inc. v. AT&T Mobility LLC*, 827
19 F.3d 1341, 1352 (Fed. Cir. 2016) (discussing cases where the court found that the claims preempted
20 the use of an abstract idea and did not pass step two); *see also Alice*, 573 U.S. at 223–24 (“Given the
21 ubiquity of computers, wholly generic computer implementation is not generally the sort of
22 additional featur[e] that provides any practical assurance that the process is more than a drafting
23 effort designed to monopolize the [abstract idea] itself.” (citations omitted)). The Federal Circuit has
24 repeatedly ruled that “invocations of computers and networks that are not even arguably inventive
25 are insufficient to pass the test of an inventive concept in the application of an abstract idea.” *SAP*
26 *Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1170 (Fed. Cir. 2018) (collecting cases) (citations
27 omitted). Moreover, “the use of the Internet is not sufficient to save otherwise abstract claims from
28 ineligibility under § 101.” *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 716 (Fed. Cir. 2014).

Applying this standard, the Court finds that the Asserted Patents do not recite an inventive concept. As explained in Section IV.C, *supra*, the concept of combining an order form with a product advertisement is abstract. The Court is unpersuaded by DKR’s argument that the claims disclose a manner of utilizing conventional components in a non-conventional, non-generic arrangement. The Asserted Patents utilize generic computer components (such as servers) in a conventional way, which is insufficient to elevate the invention to “significantly more” than the underlying abstract idea. *See Credit Acceptance Corp. v. Westlake Servs.*, 859 F.3d 1044, 1056 (Fed. Cir. 2017) (“The use and arrangement of conventional and generic computer components recited in the claims—such as a database, user terminal, and server—do not transform the claim, as a whole, into ‘significantly more’ than a claim to the abstract idea itself.” (citations omitted)); *In re TLI Commc’ns LLC Pat. Litig.*, 823 F.3d 607, 615 (Fed. Cir. 2016) (holding that “vague, functional descriptions of server components” were insufficient to render the invention patent-eligible). Claim 1 of the ’785 Patent simply uses a second server to embed a buy button. The Court does not agree that merely adding additional devices to increase efficiency is “unconventional.” And Claim 1 of the ’995 Patent, ’678 Patent, and ’237 Patent all recite configuring a conventional server to communicate conventionally with a conventional storage resource. Moreover, any other hardware or software described in the claims—such as smartphones or a transaction processing service, *see, e.g.*, ’679 Patent at col. 18–20—are also used conventionally. The claims here do not add “something more” to allow the Asserted Patents to survive step two.

In short, the Asserted Patents do not claim patent-eligible subject matter under Section 101 and the *Alice* test.

V. CONCLUSION

For the forgoing reasons, Defendant’s Motion to Dismiss is granted. The Court dismisses the FAC with prejudice.

Dated: August 1, 2024



Hernán D. Vera
United States District Judge