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6 **IN THE UNITED STATES DISTRICT COURT**
7 **FOR THE DISTRICT OF ARIZONA**

8
9 GoDaddy.com LLC,

10 Plaintiff,

11 v.

12 RPost Communications Limited, et al.,

13 Defendants.
14

No. CV-14-00126-PHX-JAT

ORDER

15 Pending before the Court are Plaintiff GoDaddy.com LLC (“GoDaddy”)’s Motion
16 for Summary Judgment, (Doc. 257), and Defendants’¹ Motion for Summary Judgment on
17 Plaintiff’s Count I (Fraudulent Misrepresentation of Patent Ownership), (Doc. 284). The
18 Court now rules on the motions.

19 **I. Background**

20 After multiple rounds of motions to dismiss, briefing for a three-month stay,
21 complete *Markman* review, a *Daubert* motion, and dozens of other motions, the factual
22 background of this case is well-established. In short, GoDaddy filed this Declaratory
23 Judgment Action against RPost, seeking, among other things, damages for fraudulent
24 misrepresentation and declarations of invalidity and non-infringement of various patents
25 (the “Asserted Patents”)² after RPost attempted to enforce those patents against
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27 ¹ Defendants are RPost Communications Ltd.; RPost Holdings, Inc.; RPost
International Ltd.; and RMail Ltd. Defendants are collectively referred to as “RPost.”

28 ² The Asserted Patents are (1) U.S. Patent No. 8,224,913 (filed July 17, 2012) (the

1 GoDaddy. (Doc. 46 at 38). RPost counterclaimed, alleging that GoDaddy is liable for
2 direct infringement of the Asserted Patents. (Doc. 108 at 20–27).

3 **II. Legal Standard**

4 Summary judgment is appropriate when “the movant shows that there is no
5 genuine issue as to any material fact and that the moving party is entitled to summary
6 judgment as a matter of law.” Fed. R. Civ. P. 56(a). A party asserting that a fact cannot be
7 or is genuinely disputed must support that assertion by “citing to particular parts of
8 materials in the record,” including depositions, affidavits, interrogatory answers or other
9 materials, or by “showing that materials cited do not establish the absence or presence of
10 a genuine dispute, or that an adverse party cannot produce admissible evidence to support
11 the fact.” *Id.* at 56(c)(1). Thus, summary judgment is mandated “against a party who fails
12 to make a showing sufficient to establish the existence of an element essential to that
13 party’s case, and on which that party will bear the burden of proof at trial.” *Celotex Corp.*
14 *v. Catrett*, 477 U.S. 317, 322 (1986).

15 Initially, the movant bears the burden of pointing out to the Court the basis for the
16 motion and the elements of the causes of action upon which the non-movant will be
17 unable to establish a genuine issue of material fact. *Id.* at 323. The burden then shifts to
18 the non-movant to establish the existence of material fact. *Id.* The non-movant “must do
19 more than simply show that there is some metaphysical doubt as to the material facts” by
20 “com[ing] forward with ‘specific facts showing that there is a genuine issue for trial.’”

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22 “‘913 Patent’); (2) U.S. Patent No. 8,209,389 (filed June 26, 2012) (the “‘389 Patent”);
23 (3) U.S. Patent No. 8,161,104 (filed April 17, 2012) (the “‘104 Patent”); (4) U.S. Patent
24 No. 8,468,198 (filed June 18, 2013) (the “‘198 Patent”); (5) U.S. Patent No. 8,468,199
25 (filed June 18, 2013) (the “‘199 Patent”); and (6) U.S. Patent No. 6,182,219 (filed
26 January 30, 2001) (the “‘219 Patent”). The ‘104, ‘389, ‘913, ‘198, and ‘199 Patents are
27 referred to herein as the “Tomkow Patents.” The ‘219 Patent is referenced as the
28 “Feldbau Patent.”

29 GoDaddy’s First Amended Complaint (“FAC”) also included Counts for
30 declarations of invalidity and non-infringement of U.S. Patent No. 6,571,334. (Doc. 46 at
31 33–34, 36–37). In a prior Order, the Court dismissed those Counts due to a lack of
32 justiciable controversy. *See* (Doc. 107 at 9, 14).

1 *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586–87 (1986) (quoting
2 Fed. R. Civ. P. 56(e) (1963) (amended 2010)). A dispute about a fact is “genuine” if the
3 evidence is such that a reasonable jury could return a verdict for the nonmoving party.
4 *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). The non-movant’s bare
5 assertions, standing alone, are insufficient to create a material issue of fact and defeat a
6 motion for summary judgment. *Id.* at 247–48. Further, because “[c]redibility
7 determinations, the weighing of the evidence, and the drawing of legitimate inferences
8 from the facts are jury functions, not those of a judge, . . . [t]he evidence of the
9 nonmovant is to be believed, and all justifiable inferences are to be drawn in his favor” at
10 the summary judgment stage. *Id.* at 255 (citing *Adickes v. S.H. Kress & Co.*, 398 U.S.
11 144, 158–59 (1970)); *Harris v. Itzhaki*, 183 F.3d 1043, 1051 (9th Cir. 1999) (“Issues of
12 credibility, including questions of intent, should be left to the jury.” (citations omitted)).

13 At the summary judgment stage, the trial judge’s function is to determine whether
14 there is a genuine issue for trial. There is no issue for trial unless there is sufficient
15 evidence favoring the non-moving party for a jury to return a verdict for that party.
16 *Liberty Lobby, Inc.*, 477 U.S. at 249–50. If the evidence is merely colorable or is not
17 significantly probative, the judge may grant summary judgment. *Id.* Notably, “[i]t is well
18 settled that only admissible evidence may be considered by the trial court in ruling on a
19 motion for summary judgment.” *Beyene v. Coleman Sec. Servs., Inc.*, 854 F.2d 1179,
20 1181 (9th Cir. 1988).

21 **III. GoDaddy’s Motion for Summary Judgment**

22 GoDaddy moves for summary judgment on seven issues. First, GoDaddy argues
23 that “the asserted claims of the RPost Patents claim patent-ineligible abstract ideas and
24 are invalid under 35 U.S.C. § 101.” (Doc. 257 at 7). Second, GoDaddy contends that the
25 ’913 Patent is invalid as “obvious” under 35 U.S.C. § 103. (*Id.*) Third, GoDaddy
26 maintains that the “earliest priority date claimable for the Tomkow Patents” is December
27 17, 1999. (*Id.*) Fourth, GoDaddy asserts that it has “intervening rights as to the Feldbau
28

1 Patent.” (*Id.*) Fifth, GoDaddy contends that the Accused Products³ do not infringe the
2 asserted claims of the Tomkow Patents that recite a “copy” or “representation” of “the
3 message.” (*Id.*) Sixth, GoDaddy insists that the Accused Products do not infringe the
4 asserted Feldbau Patent claims. (*Id.*) Finally, GoDaddy moves for summary judgment on
5 the issue of damages. (*Id.*)

6 **A. Eligibility of the Asserted Patents**

7 GoDaddy contends that the Asserted Patents are invalid under 35 U.S.C. § 101
8 because they claim patent-ineligible subject matter. (Doc. 257 at 9–10). Specifically,
9 GoDaddy argues that the Asserted Patents claim “abstract ideas” lacking “inventive
10 concepts sufficient to transform the claimed abstract idea into a patent-eligible
11 application.” (Doc. 257 at 10–15) (citing *Alice Corp. Pty. Ltd. v. CLS Bank Intern.*, 134
12 S. Ct. 2347, 2354–55 (2014) (“*Alice*”). As to the Feldbau Patent, GoDaddy argues that
13 the claims are drawn to the “abstract idea of collecting and providing information for
14 proving a message was sent to a recipient at a particular time with particular content”
15 without adding an inventive concept sufficient to confer eligibility. (*Id.* at 18). Regarding
16 the Tomkow Patents, GoDaddy contends that the claims are drawn to the abstract idea of
17 “collecting and providing information for verifying transmission and/or delivery of a
18 message” without including an inventive concept to transform that idea into a patent-
19 eligible application. (*Id.* at 14).

20 In response, RPost asserts that an eligibility challenge under § 101 is not a
21 statutory defense in patent infringement litigation and therefore the Court lacks
22 jurisdiction over GoDaddy’s argument. (Doc. 299 at 8–13). According to RPost, neither
23 the Supreme Court of the United States nor the Federal Circuit has expressly held that
24 § 101 is a statutory defense. (*Id.*) RPost explains that the section heading of § 101,
25 “Inventions patentable,” takes the statute out of the realm of statutory defenses

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27 ³ The “Accused Products” are GoDaddy’s Express Email Marketing (“EEM”),
28 GoDaddy Email Marketing (“GEM”), and the MadMimi email marketing product
 (“MadMimi”).

1 demarcated in 35 U.S.C § 282(b). (*Id.*) In the alternative, RPost argues that the Asserted
2 Patents are directed to patent-eligible subject matter and recite inventive concepts. (*Id.* at
3 13–22). Specifically, RPost contends that the Feldbau Claims provide a technical solution
4 to a technical problem using an “authenticator.” (*Id.* at 20–21). RPost further argues that
5 the Feldbau Claims add an “inventive concept” because the invention requires a physical
6 “transform[ation]” of the information. (*Id.* at 21–22) As to the Tomkow Patents, RPost
7 asserts that GoDaddy’s characterization of the patents is a “gross oversimplification.” (*Id.*
8 at 14). Instead, RPost insists that the asserted Tomkow Patent claims “recite specific
9 ways to verify delivery of an electronic message using specific information.” (*Id.*)

10 **1. Jurisdiction**

11 Before reaching the merits of GoDaddy’s eligibility argument, the Court must first
12 determine whether it has jurisdiction over patent-eligibility challenges brought pursuant
13 to § 101. According to RPost, § 101 eligibility is not an authorized statutory defense
14 because § 101 is not listed or referenced in § 282(b), the statute designating patent
15 litigation defenses. (Doc. 299 at 8–13). GoDaddy, on the other hand, believes that its
16 § 101 eligibility challenge is properly before the Court due to a long litany of Federal
17 Circuit and Supreme Court cases interpreting § 101 in the context of patent litigation.
18 (Doc. 314 at 7–8) (citing cases). Most notably, GoDaddy points to the recent landmark
19 decision in which the Supreme Court further refined the standards applicable to § 101
20 eligibility challenges in patent litigation, *Alice*. (*Id.*)

21 **a. Legal Background**

22 Section 282(b) of Title 35 of the United States Code provides an exhaustive
23 catalogue of defenses available to an alleged infringer in an action involving the validity
24 or infringement of a patent:

- 25 (1) Noninfringement, absence of liability for infringement or
26 unenforceability,
- 27 (2) Invalidity of the patent or any claim in suit on any ground specified in
28 part II of this title as a condition for patentability,
- (3) Invalidity of the patent or any claim in suit for failure to comply with—
 - (A) any requirement of section 112, except that the failure to

1 disclose the best mode shall not be a basis on which any claim of a
2 patent may be canceled or held invalid or otherwise unenforceable;
3 or

(B) any requirement of section 251.

(4) Any other fact or act made a defense by this title.

4 § 282(b). For purposes of this case, the pertinent provision of § 282(b) is the second
5 section, which authorizes defenses based on “invalidity of the patent on or any claim in
6 suit on any ground specified in part II of this title as a condition for patentability.”
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8 Part II of Title 35 encompasses §§ 100–212. Of these sections, three are relevant
9 here: §§ 101, 102, and 103. Section 101 is entitled “Inventions patentable” and states as
10 follows: “Whoever invents or discovers any new and useful process, machine,
11 manufacture, or composition of matter, or any new and useful improvement thereof, may
12 obtain a patent therefor, subject to the conditions and requirements of this title.” § 101.
13 Section 102 is labeled “Conditions of patentability; novelty” while Section 103 is
14 designated “Conditions for patentability; non-obvious subject matter.” *See* §§ 102, 103.

15 Fifty years ago, the Supreme Court stated that,

16 The [Patent] Act sets out the conditions of patentability in three sections.
17 An analysis of the structure of these three sections indicates that
18 patentability is dependent upon three explicit conditions: novelty and utility
as articulated and defined in § 101 and § 102, and nonobviousness, the new
statutory formulation, as set out in § 103.

19 *Graham v. John Deere Co.*, 383 U.S. 1, 12 (1966). Fifteen years after *Graham*, the
20 Supreme Court observed that “Section 101 sets forth the subject matter that can be
21 patented, ‘subject to the conditions and requirements of this title.’ The conditions under
22 which a patent may be obtained follow [§ 101].” *Diamond v. Diehr*, 450 U.S. 175, 190
23 (1981) (citing S. Rep. No. 1979, 82d Cong., 2d Sess., 5 (1952); U.S. Code Cong. &
24 Admin. News, 1952, p. 2399)). More recently, the Supreme Court explained that,

25 The § 101 patent-eligibility inquiry is only a threshold test. Even if an
26 invention qualifies as a process, machine, manufacture, or composition of
27 matter, in order to receive the Patent Act’s protection the claimed invention
28 must also satisfy “the conditions and requirements of this title.” § 101.
Those requirements include that the invention be novel, *see* § 102,
nonobvious, *see* § 103, and fully and particularly described, *see* § 112.

1 *Bilski v. Kappos*, 561 U.S. 593, 602 (2010). Two years later, the Supreme Court
2 identified a two-part analysis for determining § 101 eligibility in patent litigation. *See*
3 *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1296–97 (2012).
4 Finally, in *Alice*, the Supreme Court further developed and refined the *Mayo* two-step
5 inquiry. *See* 134 S. Ct. at 2354–55.

6 Similarly, although the Federal Circuit has recognized that only §§ 102 and 103
7 are textually “denominated” as “conditions of patentability,” *MySpace, Inc. v. GraphOn*
8 *Corp.*, 672 F.3d 1250, 1259–60 (Fed. Cir. 2012), it has long held that § 282’s defenses
9 “include not only the ‘conditions of patentability’ in §§ 102 and 103, but also those in
10 § 101,” *DealerTrack, Inc. v. Huber*, 674 F.3d 1315, 1330 n.3 (Fed. Cir. 2012); *see*
11 *Aristocrat Techs. Austl. Pty Ltd. v. Int’l Game Tech.*, 543 F.3d 657, 661, 661 n.3 (Fed.
12 Cir. 2008) (observing that “it is beyond question that section 101’s other requirement,
13 that the invention be directed to patentable subject matter, is also a condition for
14 patentability” but noting that “sections 102 and 103,” unlike § 101, “are explicitly
15 entitled conditions for patentability”). In other words, the Federal Circuit uniformly holds
16 that § 101 can be raised as a defense in patent infringement litigation. *See, e.g., MySpace*,
17 672 F.3d at 1261 (recognizing the benefits of shifting invalidity challenges towards
18 §§ 102 and 103 but acknowledging that “Does this mean that § 101 can never be raised
19 initially in a patent infringement suit? No.”).

20 **b. Analysis**

21 Notwithstanding the complexity of RPost’s argument, the Court finds that it has
22 jurisdiction over GoDaddy’s § 101 eligibility challenge. In a slightly different context,
23 the Federal Circuit recently addressed this precise question. In *Versata Development*
24 *Group, Inc. v. SAP America, Inc.*, the Federal Circuit summarized the patentee’s
25 argument as follows:

26 [Covered Business Method (“CBM”)] post-grant review must be limited to
27 a ground that could be raised under paragraph (2) or (3) of section 282(b).
28 [Patentee] then reasons that § 282(b)(2) authorizes defenses on any ground
‘specified in part II as a condition for patentability,’ and that the part II
reference includes under the headings in the compiled statutes only

1 ‘conditions for patentability,’ i.e., §§ 102 and 103, but not § 101. Based on
2 the headings in part II of the statutes, [Patentee] draws a distinction
3 between the heading under which § 101 appears, ‘inventions patentable,’
and ‘conditions of patentability’ under which §§ 102 and 103 are listed.

4 793 F.3d 1306, 1329–30 (Fed. Cir. 2015). Ultimately, the Federal Circuit held that
5 jurisdiction over the alleged infringer’s § 101 eligibility challenge was proper for the
6 following reasons:

7 [Patentee] is correct that a strict adherence to the section titles can
8 support an argument that § 101 is not listed as a ‘condition of patentability,’
9 but rather has the heading of ‘inventions patentable.’ However, as noted by
10 the [United States Patent and Trademark Office (“USPTO”)], both our
11 opinions and the Supreme Court’s opinions over the years have established
12 that § 101 challenges constitute validity and patentability challenges. *See*
13 *also Standard Oil Co. v. Am. Cyanamid Co.*, 774 F.2d 448, 453 (Fed. Cir.
14 1985); *Aristocrat*, 543 F.3d at 661 n.3.

15 It would require a hyper-technical adherence to form rather than an
16 understanding of substance to arrive at a conclusion that § 101 is not a
17 ground available to test patents under either the [Post Grant Review] or
18 § 18 processes. Section 101 validity challenges today are a major industry,
19 and they appear in case after case in our court and in Supreme Court cases,
20 not to mention now in final written decisions in reviews under the [America
21 Invents Act (“AIA”)]. The numerous cases in our court and in the Supreme
22 Court need no citation

23 It is often said, whether accurate or not, that Congress is presumed to
24 know the background against which it is legislating. Excluding § 101
25 considerations from the ameliorative processes in the AIA would be a
26 substantial change in the law as it is understood, and requires something
27 more than some inconsistent section headings in a statute’s codification.
28 We agree with the USPTO and SAP and we so hold that, looking at the
entirety of the statutory framework and considering the basic purpose of
CBM reviews, the [Patent Trial and Appeal Board (“PTAB”)] acted within
the scope of its authority delineated by Congress in permitting a § 101
challenge under AIA § 18.

24 *Id.* at 1330. Of course, as RPost emphasizes, the *Versata* court decided a slightly different
25 issue, i.e., the jurisdiction of a court to rule on a § 101 challenge brought under AIA § 18.
26 *See id.* To that end, RPost contends that the statutory history of the AIA is different than
27 that of the Patent Act, and thus argues that Congress did not specify § 101 as a “condition
28 of patentability” for purposes of § 282 in *infringement* litigation. *See* (Doc. 299 at 8–13).

1 Similar to the Federal Circuit in *Versata*, the Court finds that a “hyper-technical
2 adherence” to the section heading of § 101 is not enough to overcome decades of
3 interpreting § 101 as a valid defense in patent infringement litigation. *See Lewis v.*
4 *Hegstrom*, 767 F.2d 1371, 1376 (9th Cir. 1985) (noting that courts must not hinge
5 “interpretation of a statute upon a single word or phrase but rather look to the statute as a
6 whole, as well as its object and policies”); *see also Pa. Dep’t of Corrs. v. Yeskey*, 524
7 U.S. 206, 212 (1998) (“The title of a statute . . . cannot limit the plain meaning of the text.
8 For interpretive purposes, it is of use only when it sheds light on some ambiguous word
9 or phrase.” (quotation omitted)). This is not a case where a mere sprinkling of district
10 courts has incorrectly interpreted an infrequently-invoked statute or where a sharp divide
11 exists in the judicial system. Indeed, the Supreme Court and Federal Circuit
12 unwaveringly consider § 101 to be a viable and robust defense in the context of patent
13 infringement litigation.⁴ Whether couched as a “threshold test,” *see Bilski*, 561 U.S. at
14 602, or a “condition of patentability,” *see Aristocrat*, 543 F.3d at 661 n.3, it is firmly
15 decided that the Court has jurisdiction to determine whether the Asserted Patents claim
16 eligible subject matter under § 101, and RPost’s reliance on § 101’s section heading is
17 not enough to create a “substantial change in the law as it is understood,” *Versata*, 793
18 F.3d at 1330.

19 c. Conclusion

20 For the foregoing reasons, the Court concludes that it has jurisdiction to consider
21 whether the Asserted Patents claim patent-eligible subject matter as required by § 101.
22 Accordingly, the Court now turns to the merits of GoDaddy’s § 101 argument.

23 2. Legal Standard for § 101 Eligibility

24 As quoted above, § 101 of the Patent Act defines the subject matter eligible for
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26 ⁴ In fact, during the pendency of these motions, the Federal Circuit has decided
27 multiple cases where a party accused of patent infringement has invoked § 101 as a
28 defense. *See, e.g., In re TLI Commc’ns LLC Patent Litig.*, – F.3d –, 2016 WL 2865693, at
*3 (Fed. Cir. May 17, 2016); *Enfish, LLC v. Microsoft Corp.*, – F.3d –, 2016 WL
2756255, at *4 (Fed. Cir. May 12, 2016).

1 patent protection as follows: “Whoever invents or discovers any new and useful process,
2 machine, manufacture, or composition of matter, or any new and useful improvement
3 thereof, may obtain a patent therefor, subject to the conditions and requirements of this
4 title.” § 101. “Issues of patent-eligible subject matter are questions of law” reserved
5 exclusively to the Court. *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366,
6 1369 (Fed. Cir. 2011).

7 The Supreme Court, as noted above, has identified a two-part test for § 101 patent-
8 eligibility in infringement litigation. *See Alice*, 134 S. Ct. at 2355 (citing *Mayo*, 132 S. Ct.
9 at 1296–97). First, the Court must determine whether the claims at issue are directed to a
10 patent-ineligible concept, i.e., “Laws of nature, natural phenomena, and abstract ideas.”
11 *Id.* (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107,
12 2116 (2013)). The term “abstract idea” embodies “the longstanding rule that an idea of
13 itself is not patentable.” *Id.* (citing *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972)). Not
14 surprisingly, “precision has been elusive in defining an all-purpose boundary between the
15 abstract and the concrete.” *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343,
16 1345 (Fed. Cir. 2015); *see Versata*, 793 F.3d at 1331 (noting that the abstract ideas
17 exception “is more of a problem, a problem inherent in the search for a definition of an
18 ‘abstract idea’ that is not itself abstract”).⁵

19 Nonetheless, several guiding principles emerge from Supreme Court and Federal
20 Circuit precedent. For example, if the heart of the patent is a “fundamental economic
21 practice,” “conventional business practices,” or a “method of organizing human activity”
22 that has long been “prevalent in our system of commerce,” then the patent is directed to
23 an abstract idea. *Alice*, 134 S. Ct. at 2356; *see DDR Holdings LLC v. Hotels.com, L.P.*,
24 773 F.3d 1245, 1256 (Fed. Cir. 2014) (same). Moreover, concepts involving processes
25 humans can perform without the aid of a computer, such as processes that can be done

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27 ⁵ The Federal Circuit has strained for years to develop a coherent and consistent
28 test for ascertaining what is or is not an “abstract idea.” *See MySpace*, 672 F.3d at 1259
 (“This effort to descriptively cabin § 101 jurisprudence is reminiscent of the oenologists
 trying to describe a new wine.”).

1 mentally or using pen and paper, are generally directed to abstract ideas. *See, e.g.,*
2 *Content Extraction & Transmission LLC v. Wells Fargo Bank, N.A.*, 776 F.3d 1343, 1347
3 (Fed. Cir. 2014) (noting that “humans have always performed” the functions of
4 collecting, recognizing, and storing data); *CyberSource*, 654 F.3d at 1373 (“[A] method
5 that can be performed by human thought alone is merely an abstract idea and is not
6 patent-eligible under § 101.”); *Gottschalk*, 409 U.S. at 67 (observing that the conversion
7 of binary numerals can be done mentally using a mathematical table). Notably, method
8 patents, like the ones at issue in this case, present “special problems in terms of
9 vagueness and suspect validity.” *Bilski*, 561 U.S. at 608.

10 If the claims at issue are directed to a patent-ineligible concept, the Court must
11 then consider “what else” encompasses the claims to determine whether an “inventive
12 concept,” i.e., “an element or combination of elements that is ‘sufficient to ensure that the
13 patent in practice amounts to significantly more than a patent upon the [ineligible
14 concept] itself,’” exists. *Alice*, 134 S. Ct. at 2360 (quoting *Mayo*, 132 S. Ct. at 1298). The
15 Supreme Court has recognized that “[a]t some level, all inventions embody, use, reflect,
16 rest upon, or apply laws of nature, natural phenomenon, or abstract ideas.” *Id.* at 2354
17 (citing *Diamond*, 450 U.S. at 187). Thus, only if an invention applies a patent-ineligible
18 concept towards a “new and useful end” will it remain eligible for patent protection. *Id.*
19 (citing *Gottschalk*, 409 U.S. at 67). To perform this analysis, the Court reviews “the
20 elements of each claim both individually and as an ordered combination to determine
21 whether the additional elements transform the nature of the claim into a patent-eligible
22 application.” *Id.* (internal quotations omitted). Ultimately, the Court must “distinguish
23 between patents that claim the building blocks of human ingenuity and those that
24 integrate the building blocks into something more, thereby transforming them into a
25 patent-eligible invention.” *Id.* (citing *Mayo*, 132 S. Ct. at 1303).

26 Notably, “[m]erely requiring a generic computer implementation fails to transform
27 [an] abstract idea into a patent-eligible invention.” *Id.* at 2352; *see, e.g., buySAFE, Inc. v.*
28 *Google, Inc.*, 765 F.3d 1350, 1354–55 (Fed. Cir. 2014) (noting that *Alice* “made clear that

1 a claim directed to an abstract idea does not move into § 101 eligibility territory by
2 merely requiring generic computer implementation” (quotation omitted); *Ultramercial,*
3 *Inc. v. Hulu, LLC*, 772 F.3d 709, 717 (Fed. Cir. 2014) (“[A]dding a computer to
4 otherwise conventional steps does not make an invention patent-eligible.”). If the claim
5 purports to solve a problem arising only in the Internet context, the claim must be
6 innovative enough to “override[] the routine and conventional” use of the computer. *DDR*
7 *Holdings*, 773 F.3d at 1258–59.

8 3. Burden of Proof

9 By statute, issued patents are “presumed valid.” § 282(a). As the party challenging
10 the validity of the Asserted Patents, GoDaddy bears the burden of proof. *See Microsoft*
11 *Corp. v. i4i Ltd. P’ship*, 131 S. Ct. 2238, 2242 (2011). RPost argues that GoDaddy must
12 meet this burden by setting forth “clear and convincing evidence” of patent ineligibility.
13 (Doc. 299 at 14). GoDaddy, however, contends that “the usual presumption of validity
14 does not apply” to issues of patent-eligibility. (Doc. 257 at 8).

15 While district courts have varied in their approaches when ruling on a validity
16 challenge based on patent-eligibility, *see, e.g., Broadband iTV, Inc. v. Oceanic Time*
17 *Warner Cable, LLC*, 135 F. Supp. 3d 1175, 1180 (D. Haw. 2015) (declining to apply the
18 presumption of validity but requiring clear and convincing evidence to prove underlying
19 questions of fact); *Tranxition, Inc. v. Lenovo (U.S.) Inc.*, 2015 WL 4203469, at *5 (D. Or.
20 July 9, 2015) (“[T]he Court fails to see how the ‘clear and convincing’ standard applies to
21 the validity analysis under Section 101 in this case.”), and at least one Federal Circuit
22 judge believes that “applying a presumption of eligibility is particularly unwarranted,”
23 *Ultramercial*, 772 F.3d at 720 (Mayer, J., concurring), neither the Supreme Court nor the
24 Federal Circuit has issued a controlling decision designating which standard applies.
25 Nonetheless, the Court finds it unnecessary to resolve this issue because even if the clear
26 and convincing standard applied and the Asserted Patents were presumed eligible, the
27 result of this case would be no different than if the preponderance of the evidence
28 standard applied without a presumption of validity.

1 **4. Feldbau Patent**⁶

2 The Feldbau Claims disclose a “method of authenticating” that a sender of a
 3 “dispatch” “electrically transmitted” it to a particular destination at a particular time and
 4 that it had a particular content. ‘219 Patent, col. 2 ll. 56–col. 3 ll. 14 (amended version).⁷
 5 The Feldbau Claims accomplish this objective by having the sender of the transmission
 6 “electrically transmit” the contents to a non-interested third party, i.e., “an authenticator.”
 7 *Id.* at col. 2 ll. 63–67. The authenticator then “associates” information such as the time of
 8 the successful transmission and the dispatch’s contents to “generate” data that
 9 “authenticate[s] the dispatch and the contents of the dispatch,” i.e., “authentication data.”
 10 *Id.* at col. 3 ll. 1–7. The authenticator must also “secure” the authentication data “against
 11 tampering.” *Id.* at col. 3 ll. 8–10. In full, the Feldbau Claims recite as follows:

12 **60.** A method of authenticating a dispatch and contents of the
 13 dispatch successfully transmitted from a sender to a recipient, comprising
 the steps of:

14 receiving content data representative of the contents of the dispatch
 15 originated from the sender and being electrically transmitted to said
 recipient, and a destination of the dispatch;

16 providing an indicia [**relating to**] of a time of *successful*
 17 transmission of the dispatch *to the recipient*, said time related indicia being
 18 *recorded by an authenticator and provided in a manner resistant to or*
 indicative of tampering by either of the sender and the recipient;

19 associating, by [**an**] *the* authenticator functioning as a noninterested
 20 third party with respect to the sender and the recipient, the content data with
 21 dispatch record data which includes at least said time related indicia and an
 indicia related to the destination of the dispatch, to generate authentication
 data which authenticate the dispatch and the contents of the dispatch; and

22 securing by said authenticator at least part of the authentication data
 23 against tampering of the sender and the recipient;

24 ⁶ The asserted claims of the Feldbau Patent are Claim Nos. 60, 62, 66, and 69. *See*
 25 (Docs. 258 at 12; 271-5 at 2; 300 at 10). These claims will be referenced herein as the
 26 “Feldbau Claims.”

27 ⁷ In 2012, the Feldbau Patent underwent an Ex Parte Reexamination by the
 28 USPTO. *See* (Doc. 271-16 at 25). Several claims—including two of the claims asserted
 against GoDaddy in this case—were amended upon Reexamination. *See (id.* at 26). When
 citing to the reexamined patent, the Court will refer to it as the “amended version.”

1 wherein at least one of the steps of associating and securing utilizes
2 mathematical association methods for a selected portion of a combination
3 of the content data and the dispatched record data.

4 *Id.* at col. 2 ll. 56–col. 3 ll. 14 (amendments by Ex Parte Reexamination Certificate are
5 shown in italics; deletions in bolded square brackets).

6 **62.** A method according to claim **60**, further including the step of providing
7 an output of at least part of the authentication data.

8 ‘219 Patent, col. 24 ll. 32–34.

9 **66.** A method according to claim **60**, wherein the step of providing the time
10 **[related]** indicia includes generating the time **[related]** indicia.

11 ‘219 Patent, col. 3 ll. 17–19 (amended version) (amendments by Ex Parte Reexamination
12 Certificate are shown in italics; deletions in bolded square brackets).

13 **69.** A method according to claim **60**, wherein the authentication data further
14 includes a delivery indicia relating to said dispatch.

15 ‘219 Patent, col. 24 ll. 52–54.

16 To begin, the Court must determine whether the Feldbau Claims are drawn to a
17 patent-ineligible concept, i.e., law of nature, natural phenomena, or abstract idea. *See*
18 *Alice*, 134 S. Ct. at 2355. If so, the Court will then consider whether the claims add an
19 “inventive concept” such that the ineligible concept transforms into a patent-eligible
20 application. *Id.*

21 **a. Step One: Patent-Ineligible Concept**

22 GoDaddy argues that the Feldbau Claims are directed to the abstract idea of
23 collecting and providing information about a dispatch and its contents using a third party
24 intermediary. (Doc. 257 at 18). GoDaddy contends that the asserted claims simply apply
25 “pure math” to accomplish its goals. (*Id.*) In response, RPost insists that the Feldbau
26 Claims “address[] the specific technical problem of proving that specific information has
27 been electronically sent at a specific time to a specific receiving party” by having an
28 “authenticator [] generate authentication data which authenticate[s] the dispatch and the
 contents of the dispatch.” (Doc. 299 at 20). RPost explains that the Feldbau Claims do not
 use “pure math” but apply “specific functions” performed by the authenticator. (*Id.*)

1 Although RPost’s application of the Feldbau Claims may be phrased in its narrow,
2 flowery rhetoric, the claim language is not nearly as particularized. Rather, the Feldbau
3 Claims are directed to a general method of collecting and providing information about a
4 dispatch using a third party intermediary. This is an abstract idea that has an extensive
5 history dating back decades, if not centuries. For example, the Fedlbau Patent’s
6 specification posits that “[p]ost, courier, forwarding and other mail services, which
7 enable people to exchange documents and data, have been widely used both in the past
8 and at the present time.” ‘219 Patent, col. 1 ll. 23–29. The specification further describes
9 how third party intermediaries collect and provide certain information about a message in
10 the modern world,

11 Proof of delivery of non-electronic documents is provided, for
12 example, by Registered Mail and courier services. It is commonly used to
13 authenticate the delivery of materials at a certain time to a certain party, and
14 serves as admissible proof of delivery in a court of law. However, no proof
is provided as to the information contents of the specific dispatch.

15 E-mail and other electronic messages forwarding services are
16 commonly used today. The sender sends a message to the dispatching
17 service which, in turn, forwards the message to the destination and provides
18 the sender with a delivery report which typically includes the date and time
19 of the dispatch, the recipient’s address, the transmission completion status,
and sometimes even the transmitted data, the number of pages delivered,
20 the recipient’s identification information, and so on. The provided delivery
report mainly serves for accounting purposes and for notifying the sender
of the dispatch and/or its contents. . . .

21 *Id.* at col. 2 ll. 26–44. Thus, the specification’s own language details how the general
22 concept at the heart of the Feldbau Claims is one that has been implemented for years.

23 Moreover, despite the possibility for a narrow application, the Court finds that the
24 claimed idea is comparable to claims that the Supreme Court and Federal Circuit have
25 determined to be drawn to abstract ideas. *See, e.g., Gottschalk*, 409 U.S. at 71 (holding
26 abstract and ineligible patent claims involving an algorithm for converting binary-coded
27 decimal numerals into pure binary form); *Parker v. Flook*, 437 U.S. 584, 594–95 (1978)
28 (holding abstract and ineligible a mathematical formula for computing “alarm limits” in a
catalytic conversion process); *Alice*, 134 S. Ct. at 2360 (holding abstract and ineligible a

1 generalized computer method of intermediated settlement whereby two parties using a
2 third-party intermediary exchange financial obligations); *Bilski*, 561 U.S. at 609 (finding
3 that the concept of “hedging or protecting against risk” was drawn to an abstract idea);
4 *buySAFE*, 765 F.3d at 1353, 1355 (finding that “transaction performance guaranty” was
5 an abstract idea because the “narrowing of such long-familiar commercial transactions [to
6 particular relationships] does not make the idea non-abstract for section 101 purposes”);
7 *Digitech Image Techs. LLC v. Elecs. for Imaging, Inc.*, 758 F.3d 1344, 1348–51 (Fed.
8 Cir. 2014) (holding that claims directed to digital image processing using math to
9 combine data into a device profile were too abstract despite narrow application);
10 *Intellectual Ventures I LLC v. Capital One Bank*, 792 F.3d 1363, 1367 (Fed. Cir. 2015)
11 (holding that a method patent aimed at “tracking” and “storing” information was directed
12 to patent-ineligible abstract idea of budgeting); *Bancorp Servs., L.L.C. v. Sun Life Assur.*
13 *Co. of Canada (U.S)*, 687 F.3d 1266, 1278 (Fed. Cir. 2012) (holding that a method patent
14 to track, reconcile, and administer life insurance policies was not drawn to patent eligible
15 subject matter); *In re TLI Commc’ns*, 2016 WL 2865693, at *3 (concluding that claims
16 directed to “classifying and storing digital images in an organized manner” were abstract
17 and ineligible); *Content Extraction*, 776 F.3d.at 1347 (finding that claims directed to
18 collecting, recognizing, and storing data were abstract and ineligible); *Cyberfone Sys.,*
19 *LLC v. CNN Interactive Grp., Inc.*, 558 F. App’x. 988, 991–92 (Fed. Cir. 2014)
20 (concluding that concept of “using categories to organize, store, and transmit
21 information” is an abstract idea).

22 Moreover, the Feldbau Claims are not directed to a specific improvement in
23 computer functionality but simply recite conventional and generic technology to perform
24 “generalized steps” in a well-known computer environment. *Enfish*, 2016 WL 2756255,
25 at *4–5; see *In re TLI Commc’ns*, 2016 WL 2865693, at *3 (same). RPost’s argument
26 that the Feldbau Claims do not solely rely on “pure math” to “associat[e]” information is
27 belied by a cursory review of the claim language. Particularly, the claims designate only
28 one possible “association” or “securing” method: “mathematical association.” ‘219

1 Patent, col. 3 ll. 11–14 (amended version). Beyond “mathematical association,” the
2 claims do not recite any other method for how the undefined “authenticator” is to
3 associate or secure the data or detail what “mathematical association” method is to be
4 applied. Even if the claim language did so, the claims would still be drawn to an abstract
5 idea. *See Ultramercial*, 772 F.3d at 715 (“Although certain additional limitations, such as
6 consulting an activity log, add a degree of particularity, the concept embodied by the
7 majority of the limitations describes only the abstract idea[.]”).

8 Furthermore, the method outlined in the Feldbau Claims is directed to a patent-
9 ineligible “mental” process. The claimed “associating” and “securing” functions, “while
10 ‘primarily useful for computerized [applications],’ could still be made [using a] pencil
11 and paper.” *Parker*, 437 U.S. at 586 (citations omitted). In fact, the Feldbau Claims are
12 not even limited to an electronic embodiment. The only language plausibly requiring
13 electronic implementation is “receiving content data representative of the contents of the
14 dispatch originated from the sender and being electrically transmitted to said recipient,
15 and a destination of the dispatch.” ‘219 Patent, col. 2 ll. 59–62. However, whether the
16 “sender” or “recipient”⁸ “electrically transmit” a dispatch has no bearing on whether the
17 *authenticator’s* claimed functionality is restricted to an electronic embodiment.⁹ To be
18 sure, the specification teaches that the claimed authenticator-implemented functions of
19 “associating” and “securing” can be performed *manually*. Particularly, Figure 1 illustrates
20 as follows:

21
22
23
24 ⁸ The Court construed “sender” and “recipient” as requiring “computerized
25 devices.” (Doc. 219 at 101–03). Nonetheless, whether the “sender” and “recipient”
26 require computerized devices has no bearing on the functionality of the *authenticator*,
which is a separate and distinct third-party intermediary.

27 ⁹ At *Markman*, the parties stipulated that “authenticator” be construed as “a sub-
28 system that operates to authenticate a dispatch.” (Doc. 219 at 26). This construction does
not necessarily limit the authenticator to an electronic embodiment.

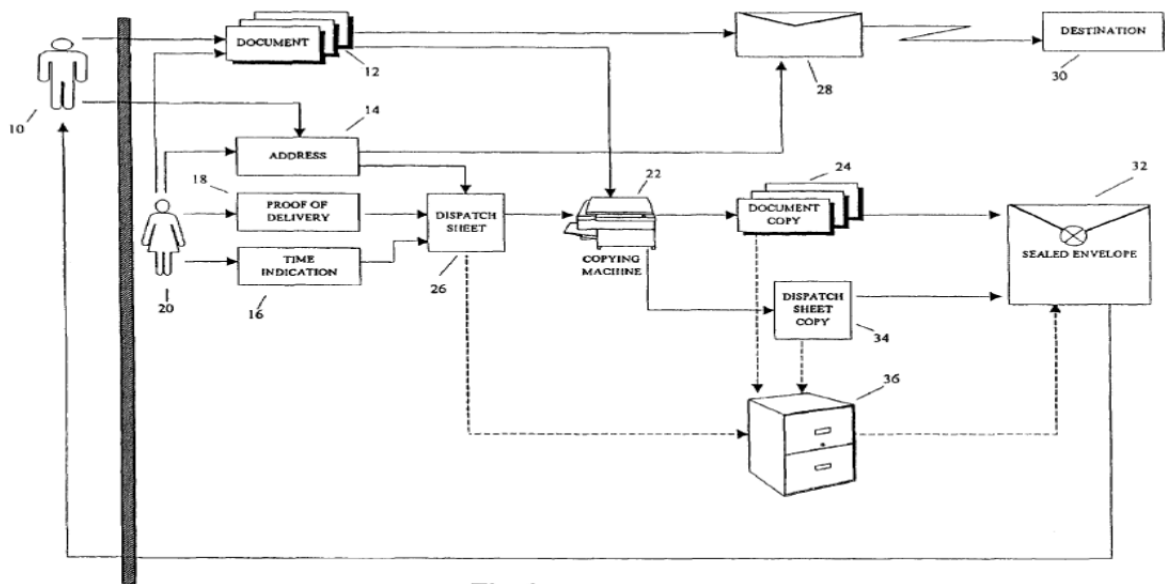


Fig. 1

‘219 Patent, Fig. 1. The specification defines Figure 1 as a “schematic pictorial illustration of the authentication method of the present invention implemented in a manual manner,” *id.* at col. 4 ll. 45–47, and describes Figure 1 as follows:

Reference is now made to FIG. 1 which illustrates the method of the present invention as it can be implemented for paper documents being sent non-electronically. The method of FIG. 1 can be implemented for documents sent via any document dispatching service, such as a courier service or the registered mail service of the post office.

The sender 10 provides the documents 12 to be sent and a destination address 14 to a clerk 20 of the document dispatching service. The clerk 20 prepares a dispatch sheet 26, which typically has a unique dispatch identifier (not shown) and has room for dispatch information such as the date and time of dispatch or delivery 16, the destination address 14, an indication 18 of proof of delivery such as the recipient’s identity and/or signature, and optionally, additional dispatch information such as the dispatcher’s signature and the identity of the sender.

The clerk 20 fills in the dispatch sheet 26 with the date/time 16 and the address 14, and then prepares a copy 24 of the documents 12 and a copy 34 of the dispatch sheet 26, typically by utilizing a copy machine 22 or an electronic scanner. The clerk 20 then places the original documents 12 into an envelope 28 carrying the address 14, and sends the envelope 28 to its destination 30. In one embodiment of the present invention the dispatching service utilizes a cash-register like device to fill in the dispatch sheet 26.

1 This provides for reliable time stamping and automated dispatch record
2 keeping. *Furthermore, the electronic dispatch information produced by*
3 *such device can be associated using a special mathematical method as*
discussed in greater detail below.

4 *The clerk 20 associates the copy 24 of the documents 12 with the*
5 *copy 34 of the dispatch sheet 26 by any method, a few examples of which*
6 *follow:*

7 a) by inserting the documents copy 24 and the dispatch sheet copy
8 34 into an envelope 32;

9 b) by inserting the copy 24 of the documents into an envelope 32 and
10 marking the dispatch identifier on the outside of the envelope 32;

11 c) by printing the dispatch identifier on the documents copy 24; or

12 d) attaching the copies 24 and 34 and applying the stamp of the
13 dispatch service in such a manner that part of the stamp is on the copy 24 of
14 the documents and part of the stamp is on the copy 34 of the dispatch sheet
15 26.

16 Preferably, the clerk 20 secures the copies 24 and 34 in a manner
17 that makes it difficult to modify or replace the information contained
18 therein, for example by marking the pages of the copy 24 with the
19 dispatching service's signature, stamp or seal, by spreading each page with
20 invisible or other ink, by sealing the envelope 32 or by retaining them in the
21 service's secure file 36 and so forth.

22 *Id.* at col. 4 ll. 66–col. 5 ll. 50 (emphasis added); *see also id.* at col. 5 ll. 51–col. 6 ll. 30.
23 Based on this language, it is indisputable that the Feldbau Claims are directed to a
24 concept that can be performed manually.¹⁰ Regardless, even if an electronic limitation for
25 the claimed method existed, it would do little to limit the Feldbau Claims' expansive
26 scope. The specification makes clear that the Feldbau Claims are not restrained to a
27 particular application as they encompass “all types” of information, “all types” of
28 dispatch methods, and “all types” of methods and devices for “associating” and
“securing” the authentication data. *Id.* at col. 4 ll. 1–7 ll. 16–19. This lack of specificity
underscores the abstract nature of the claims. *See Internet Patents*, 790 F.3d at 1348–49

¹⁰ During oral argument, RPost attempted to distinguish Figure 1 as not being a pictorial representation of the “authenticator” because the specification does not expressly define it as such. This argument is unpersuasive. The specification unambiguously defines Figure 1 as an illustration of “the authentication method of the present invention.” *Id.* at col. 4 ll. 45–47. There can be no dispute that the Feldbau Claims embody the “authentication method of the present invention.”

1 (finding that claims were directed to abstract idea of maintaining computer state without
2 recitation of specific activity used to generate that result).

3 Finally, RPost’s argument that the Feldbau Claims “do not preempt all ways of
4 accomplishing the alleged abstract idea,” (Doc. 299 at 21), is not dispositive. The Federal
5 Circuit confirmed that the simple fact that “the claims do not preempt all [methods of
6 providing information about a dispatch] or may be limited to [such activity in the
7 electronic] setting do not make them any less abstract.” *OIP Techs., Inc. v. Amazon.com,*
8 *Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (citing *buySAFE*, 765 F.3d at 1355).

9 For these reasons, the Court concludes that the Feldbau Claims, describing a
10 method of collecting and providing information about a dispatch and its contents using a
11 third-party intermediary, falls squarely within the “collection and organization of data”
12 characterization deemed by the Federal Circuit to be abstract. *CyberSource*, 654 F.3d at
13 1370; *see, e.g., YYZ, LLC v. Hewlett-Packard Co.*, 2015 WL 5886176, at *3 (D. Del. Oct.
14 8, 2015) (“Because computer software comprises a set of instructions, the first step of
15 *Alice* is, for the most part, a given; i.e., computer-implemented patents generally involve
16 abstract ideas.”). Thus, the Feldbau Claims are directed to an abstract idea.

17 **b. Step Two: Inventive Concept**

18 Because the Feldbau Claims are drawn to a patent-ineligible concept, the Court
19 must next consider whether the claims add an “inventive concept” that transforms the
20 claims into a patent-eligible application. *See Alice*, 134 S. Ct. at 2355. The Court finds
21 that beyond the abstract idea of collecting and providing information about a particular
22 dispatch, the claims merely recite “well-understood, routine conventional activities,” such
23 as mathematical association or routine data-gathering and storing steps. *Id.* at 2359
24 (quoting *Mayo*, 132 S. Ct. at 1294). Considered individually or taken together as an
25 ordered combination, the claim elements fail to “‘transform’ the claimed abstract idea
26 into a patent-eligible application.” *Id.* at 2357 (quoting *Mayo*, 132 S. Ct. at 1294, 1298).

27 RPost insists that the Feldbau Claims disclose at least two inventive concepts: the
28 “authenticator”-implemented steps of (1) associating content data with dispatch record

1 data to generate authentication data and (2) securing the authentication data. (Doc. 299 at
2 21–22). But beyond requiring that “at least one of the steps of associating and securing”
3 be performed by an undefined “mathematical association method,” the Feldbau Claims
4 do not specify what type of mathematical association is performed or explain how the
5 content data is associated with the dispatch record data in a manner that generates
6 authentication data. *See* ‘219 Patent, col. 3 ll. 11–14 (amended version). Similarly, the
7 unremarkable claim that the authentication data “authenticate[s] the dispatch and the
8 contents of the dispatch,” *id.* at col. 3 ll. 6–7, fails to explain what material comprises the
9 authentication data.

10 Furthermore, the Feldbau Claims do not detail what the “authenticator” actually is
11 or how the device secures the data against tampering beyond requiring “at least one of”
12 the associating or securing steps be performed by an amorphous “mathematical
13 association method.” *Id.* at col. 3 ll. 11–14. Instead, the “authenticator” is loosely defined
14 as “all types of apparatus” capable of performing the associating and securing functions,
15 *see* ‘219 Patent, col. 4 ll. 16–19, and therefore is not tied to “a particular machine or
16 apparatus,” *Bilski*, 561 U.S. at 601. In other words, the Feldbau Claims broadly indicate
17 what the “authenticator” *does*, but not what it *is*; this does not add “significantly more” to
18 the abstract idea. *See Alice*, 134 S. Ct. at 2355 (citing *Mayo*, 132 S. Ct. at 1294).

19 Ultimately, the Court finds that the “associating” and “securing” “computer
20 functions are ‘well-understood, routine, conventional activit[ies]’ previously known to
21 the industry.” *Id.* at 2359 (quoting *Mayo*, 132 S. Ct. at 1294); *see buySAFE*, 765 F.3d at
22 1355 (“That a computer receives and sends the information over a network—with no
23 further specification—is not even arguably inventive.”); *OIP Techs.*, 788 F.3d at 1363
24 (holding that “sending a first set of electronic messages over a network to devices, the
25 devices being programmed to communicate, storing test results in a machine-readable
26 medium, and using a computerized system . . . to automatically determine an estimated
27 outcome and setting a price” were conventional activities); *CyberSource*, 654 F.3d at
28 1373 (“[C]omputational methods which can be performed entirely in the human mind are

1 the types of methods that embody the ‘basic tools of scientific and technological work’
2 that are free to all men and reserved exclusively to none.” (quoting *Gottschalk*, 409 U.S.
3 at 67)). The Feldbau Claims merely “add” the generic computer functions of
4 “associating” and “securing” to the claimed abstract idea of collecting and providing
5 information about a particular dispatch. As explained above, these steps could be
6 performed by humans without a computer as the only connection to an electrical
7 embodiment concerns the sending of the message, not the functions of the authenticator.
8 *See Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1324 (Fed. Cir.
9 2016) (“The series of steps covered by the asserted claims—borrower applies for a loan,
10 a third party calculates the borrower’s credit grading, lenders provide loan pricing
11 information to the third party based on the borrower’s credit grading, and only thereafter
12 (at the election of the borrower) the borrower discloses its identity to a lender—could all
13 be performed by humans without a computer.”). This is not enough to constitute an
14 inventive concept under *Alice*. *See DDR Holdings*, 773 F.3d at 1256 (“[A]fter *Alice*, there
15 can remain no doubt: recitation of generic computer limitations does not make an
16 otherwise ineligible claim patent-eligible. The bare fact that a computer exists in the
17 physical rather than purely conceptual realm is beside the point.” (internal citations and
18 quotation marks omitted)); *Ultramercial*, 772 F.3d at 717 (“[A]dding a computer to
19 otherwise conventional steps does not make an invention patent-eligible.”).¹¹

20 Finally, nothing in the Feldbau Claims “purport[s] to improve the functioning of
21 the computer itself,” *Alice*, 134 S. Ct. at 2359, “effect an improvement in any other
22 technology or technical field,” *id.*; *see Enfish*, 2016 WL 2756255, at *4, or solve a
23 problem unique to the Internet, *see DDR Holdings LLC*, 773 F.3d at 1257. The Feldbau
24 Claims’ method of converting input information (i.e., dispatch time, content, and
25 destination data) to output information (i.e., authentication data) does not add

26
27
28 ¹¹ In fact, the encryption and association methods described in the Feldbau
Patent’s specification are described as “widely used for security and for authentication
purposes.” ‘219 Patent, col. 2 ll. 9–18.

1 significantly more to the claimed abstract idea, *see Alice*, 134 S. Ct. at 2358, nor is it
2 innovative enough to “override the routine and conventional” use of the computer, *see*
3 *DDR Holdings*, 773 F.3d at 1258–59; *Enfish*, 2016 WL 2756255, at *7–8.

4 In sum, the Feldbau Claims are directed to the abstract idea of collecting and
5 providing information about a particular dispatch and its contents using an unspecified
6 “authenticator” that applies an undefined “mathematical association method” to
7 “associate” and “secure” pre-existing information. These generic conventional
8 activities—even if carried out by a computer—are not sufficient to pass the second step
9 of *Alice*. *See, e.g., Intellectual Ventures I*, 792 F.3d at 1368 (“Instructing one to ‘apply’
10 an abstract idea and reciting no more than generic computer elements performing generic
11 computer tasks does not make an abstract idea patent-eligible.” (quoting *Alice*, 134 S. Ct.
12 at 2359–60)); *Digitech*, 758 F.3d at 1349–51 (holding ineligible a concept of gathering
13 and combining data by reciting steps of organizing information through mathematical
14 relationships where the gathering and combining merely employed mathematical
15 relationships to manipulate existing information to generate additional information in the
16 form of a “device profile” without limit to any use of the device profile).

17 c. Conclusion

18 For the foregoing reasons, the Court concludes that the Feldbau Claims are drawn
19 to the abstract idea of collecting and providing information about a particular dispatch
20 and fail to add “significantly more” such that an “inventive concept” “transforms” that
21 idea into a patent-eligible application. *See Alice*, 134 S. Ct. at 2355. Accordingly, the
22 Court will grant GoDaddy’s motion for summary judgment on this issue and declare that
23 Feldbau Patent Claim Nos. 60, 62, 66, and 69 are invalid under § 101.

24 5. Tomkow Patents

25 GoDaddy also contends that the Tomkow Patents claim patent-ineligible subject
26 matter without adding inventive concepts to confer validity. (Doc. 257 at 10–14). In
27 GoDaddy’s view, the Tomkow Patents are all directed to the same abstract idea:
28 “collecting and providing information for verifying transmission and/or delivery of a

1 message.” (*Id.* at 14). GoDaddy argues that no inventive concept is added because the
2 claims merely address conventional activities without solving a problem unique to the
3 Internet. (*Id.* at 14–15).

4 RPost responds that the Tomkow Patents do not simply recite the collection and
5 provision of generic information about a message but provide “specific” steps to verify
6 the receipt of a message using “specific information.” (Doc. 299 at 14). To that end,
7 RPost argues that the Tomkow Patents provide a technical solution to a technical
8 problem. (*Id.* at 17). RPost explains that “[t]he technical problem addressed by the
9 Tomkow patents is providing reliable proof of content and delivery of electronic
10 messages without requiring the co-operation of the recipient and without requiring
11 special e-mail software,” while the technical solution entails “using an intermediate
12 server between a sender and receiver of an electronic message” to provide a “first
13 information” or “authenticatable information.” (*Id.* at 17–18). Thus, RPost insists that the
14 inventive concept “does not lie in the computer hardware” or software but “in the
15 technical features recited by the asserted claims.” (*Id.* at 19).

16 As noted above, the Tomkow Patents are the ‘913, ‘104, ‘198, ‘199, and ‘389
17 Patents. These patents share a specification and are broadly described as “a system and
18 method for verifying delivery and integrity of electronic messages.” *See* ‘913 Patent,
19 (54). Nonetheless, each Tomkow Patent describes a slightly different method to provide
20 slightly different information, and thus, the Court will address each patent separately.

21 **a. ‘913 Patent¹²**

22 The ‘913 Patent Claims disclose “a system and method for verifying delivery and
23 integrity of electronic messages” sent by a sender to a recipient through a server. *Id.* The
24 ‘913 Patent Claims accomplish this goal by having the server record “some portion” of a
25 mail transport protocol dialog, either Simple Mail Transport Protocol (“SMTP”) or
26 Extended Mail Transport Protocol (“EMTP”), in which a Mail Transport Agent (“MTA”)

27
28 ¹² The asserted ‘913 Patent claims are Claim Nos. 1 and 2. *See* (Docs. 258 at 2;
271-5 at 2; 300 at 2). These claims will be referenced as the “‘913 Patent Claims.”

1 for the recipient accepts or declines delivery of the message. *Id.* at col. 27 ll. 48–54. In
 2 full, the ‘913 Patent Claims recite as follows:

3 1. A method of transmitting a message from a sender to a recipient
 4 through a server acting as a Mail Transport Agent, including the steps at the
 5 server of:

6 transmitting the message to the recipient’s Mail Transport Agent in a
 7 protocol dialog selected from a group consisting of the selected one of the
 8 SMTP and ESMTP protocols; and

9 recording at the server some portion of the selected one of the SMTP
 10 and ESMTP protocol dialog between the server and the recipient through
 11 the server including those portions of the selected one of the SMTP and
 12 ESMTP protocol dialog between the server and the recipient in which the
 13 receiving Mail Transport Agent accepts or declines delivery of the
 14 transmitted message

15 2. The method as set forth in claim 1, including the step of:

16 storing the recorded dialog in some form in which it may be
 17 associated with the message and the sender and the recipient of the message
 18 in such a way that it may be used to document the delivery history of the
 19 message from the sender to the recipient.

20 *Id.* at col. 27 ll. 41–60.

21 i. Step One: Patent-Ineligible Concept

22 The Court finds that the ‘913 Patent Claims are directed to the abstract idea of
 23 collecting information about the delivery of a message. Similar to the Feldbau Claims,
 24 the concept of collecting delivery information about a message has been practiced in
 25 various forms for decades, if not centuries. Most notably, the method disclosed by the
 26 ‘913 Patent Claims is essentially an electronic version of certified or registered mail that
 27 has long been implemented by the United States Postal Service (“USPS”). *See* ‘913
 28 Patent, col. 1 ll. 33–37; (Docs. 258 at 5–8; 294 at 26).¹³ In fact, the ‘913 Patent’s

29 ¹³ To the extent RPost “objects” to GoDaddy’s provision of historical references
 30 concerning USPS under Local Rule of Civil Procedure for the District Court of Arizona
 31 7.2(m)(2), *see* (Doc. 299 at 22–23), the Court overrules the objection. Not only do the
 32 Tomkow Patents disclose that the patented subject matter attempts to mirror the services
 33 provided by USPS, *see, e.g.*, ‘219 Patent, col. 2 ll. 26–33; ‘913 Patent, col. 1 ll. 28–42,
 34 GoDaddy analyzed the USPS relationship during *Markman* briefing, *see, e.g.*, (Doc. 117
 35 at 12), and disclosed the USPS connection in its invalidity contentions, *see* (Doc. 304-1 at

1 specification details how USPS and private mail carriers such as the United Parcel
2 Service (“UPS”) and Federal Express (“FedEx”) provide “confirmation that [a] letter was
3 successfully delivered to the addressee or the addressee’s authorized agent.” ‘913 Patent,
4 col. 1 ll. 33–42. The shared-specification goes on to teach that the goal of the Tomkow
5 Patents is to reach if not surpass the evidentiary heights of USPS-registered mail. *See id.*
6 at col. 3 ll. 11–14. In other words, the heart of the ‘913 Patent Claims is directed to a
7 “conventional business practice” that has long been “prevalent in our system of
8 commerce.” *Alice*, 134 S. Ct. at 2356.

9 Much of what RPost believes is pertinent under the first step of *Alice* is more
10 applicable to the second step of the inquiry. For example, whether the ‘913 Patent Claims
11 disclose “specific” or “defined” steps, *see* (Doc. 299 at 14), speaks to whether the claims
12 add “something more” to transform the claimed concept into a patent-eligible application,
13 not whether the concept itself is abstract. *See Ultramercial*, 772 F.3d at 715 (“We do not
14 agree . . . that the addition of merely novel or non-routine components to the claimed idea
15 necessarily turns an abstraction into, something concrete. In any event, any novelty in
16 implementation of the idea is a factor to be considered only in the second step of the
17 *Alice* analysis.”). Being abstract does not mean that a concept is devoid of steps. Multi-
18 step, computer-implemented method patents are frequently found ineligible as directed to
19 abstract ideas. *See, e.g., Digitech*, 758 F.3d at 1349–51; *Mortg. Grader*, 811 F.3d at 1324;
20 *Internet Patents*, 790 F.3d at 1348–49. Here, although the ‘913 Patent Claims include
21 “specific” steps, the steps are “generalized steps to be performed on a computer using
22 conventional computer activity.” *Enfish*, 2016 WL 2756255, at *7. The “heart” of a
23 patent is determinative for *Alice* step one, *see Ultramercial*, 772 F.3d at 714, and as
24 expressed above, the heart of the ‘913 Patent Claims is drawn to the abstract idea of
25 collecting information about the delivery of a message.

26 RPost also argues that the numerous prior art references disclosed in the
27 specification demonstrate that there is “no risk of preempting . . . the entire field of
28

4). The Court finds these disclosures are adequate.

1 creating a delivery receipt using tracking information.” (Doc. 299 at 15–16). The Federal
2 Circuit has soundly rejected this argument. In *Vehicle Intelligence & Safety LLC v.*
3 *Mercedes-Benz USA, LLC*, the appellant argued that “the existence of prior art methods
4 of equipment operator testing, evidenced by the eleven prior art references identified in
5 the . . . specification, prove that the claims at issue do not preempt the abstract idea of
6 performing equipment operator testing because these references describe non-infringing
7 methods for doing so.” 2015 WL 9461707, at *3 (Fed. Cir. Dec. 28, 2015). The Federal
8 Circuit jettisoned this contention as “meritless” because “the mere existence of a non-
9 preempted use of an abstract idea does not prove that a claim is drawn to patent-eligible
10 subject matter.” *Id.* The Federal Circuit explained that if it adopted such an approach,
11 then “all a patentee would need do to insulate itself from a § 101 challenge would be to
12 identify a single prior art reference in the specification and state that its invention
13 improves upon that reference.” *Id.*; *see also OIP Techs.*, 788 F.3d at 1362–63.

14 Furthermore, the tangible, physical components recited by the ‘913 Patent Claims
15 “merely provide a generic environment in which to carry out the abstract idea” of
16 collecting information about the delivery of a message. *In re TLI Commc’ns*, 2016 WL
17 2865693, at *3; *see ART+COM Innovationpool GmbH v. Google Inc.*, 2016 WL
18 1718221, at *4 (D. Del. Apr. 28, 2016) (finding that claim was drawn to “abstract idea of
19 storing image data, then repeatedly requesting specific data, which is then stored and
20 displayed”). The specification’s emphasis that the present invention “relates generally to
21 a system and method for verifying delivery and content of an electronic message,” ‘913
22 Patent, col. 1 ll. 21–22, without requiring any “special e-mail software,” *id.* at col. 2 ll.
23 67–col. 3 ll. 1, underscores that the ‘913 Patent Claims are directed to an abstract idea.

24 Finally, the Court finds that the concept of collecting information about the
25 delivery of a message is no less abstract than any of the concepts the Supreme Court and
26 Federal Circuit have determined to be drawn to abstract ideas. *See, e.g., CyberSource*,
27 654 F.3d at 1370 (“collection and organization of data”); *Gottschalk*, 409 U.S. at 71
28 (algorithm for converting binary-coded decimal numerals into pure binary form); *Parker*,

1 437 U.S. at 594–95 (formula for computing “alarm limits” in a catalytic conversion
2 process); *Alice*, 134 S. Ct. at 2360 (intermediated settlement whereby two parties using a
3 third-party intermediary exchange financial obligations); *Bilski*, 561 U.S. at 609
4 (“hedging or protecting against risk”); *buySAFE*, 765 F.3d at 1353, 1355 (“transaction
5 performance guaranty”); *Digitech*, 758 F.3d at 1348–51 (digital image processing using
6 math to combine data into a device profile); *Intellectual Ventures I*, 792 F.3d at 1367
7 (“tracking” and “storing” information directed to abstract idea of budgeting).

8 For these reasons, the Court finds that the ‘913 Patent Claims merely “recite[]
9 generalized steps to be performed on a computer using conventional computer activity,”
10 *Enfish*, 2016 WL 2756255, at *7 (citations omitted), and are directed to the abstract idea
11 of collecting information about the delivery of a message.

12 ii. Step Two: Inventive Concept

13 Because the ‘913 Patent Claims are drawn to a patent-ineligible concept, the Court
14 must now determine whether there is “significantly more” in the claims that “transforms”
15 that concept into a patent-eligible application. *Alice*, 134 S. Ct. at 2355.

16 Claim 1 of the ‘913 Patent recites that a message is “transmitt[ed]” to the
17 recipient’s MTA and the server “record[s] some portion of the selected one of the SMTP
18 and ESMTP protocol dialog,” ‘913 Patent, col 27 ll. 48–49, while Claim 2 states that the
19 server “stor[es] the recorded dialog,” *id.* at col. 27 ll. 55–56. The ‘913 Patent Claims
20 therefore invoke three computer-executed functions—“transmitting” information,
21 “recording” information, and “storing” information—all of which can be implemented by
22 “nearly every computer.” *See Alice*, 134 S. Ct. at 2361 (“Nearly every computer [is]
23 capable of performing . . . basic calculation, storage, and transmission functions.”);
24 *buySAFE*, 765 F.3d at 1355 (“That a computer receives and sends the information over a
25 network—with no further specification—is not even arguably inventive.”). As expressed
26 above, the mere “recitation of generic computer limitations does not make an otherwise
27 ineligible claim patent-eligible.” *DDR Holdings*, 773 F.3d at 1256; *see Ultramercial*, 772
28 F.3d at 717 (“[A]dding a computer to otherwise conventional steps does not make an

1 invention patent-eligible.”). Here, the Court finds that the disclosed steps of
2 “transmitting,” “recording,” and “storing” pre-existing information are “computer
3 functions [that] are ‘well-understood, routine, conventional activit[ies]’ previously known
4 to the industry.” *Alice*, 134 S. Ct. at 2359 (quoting *Mayo*, 132 S. Ct. at 1294); *see OIP*
5 *Techs.*, 788 F.3d at 1363 (holding that “sending a first set of electronic messages over a
6 network to devices, the devices being programmed to communicate, storing test results in
7 a machine-readable medium, and using a computerized system . . . to automatically
8 determine an estimated outcome and setting a price” were conventional activities).

9 RPost suggests “compelling evidence” exists that the ‘104, ‘389, and ‘913 Patents
10 provide a “technical solution to a technical problem” because the PTAB denied petitions
11 to institute CBM patent reviews of the three patents. (Doc. 299 at 18). The threshold
12 standard for instituting a CBM review is whether it is “more likely than not” that a patent
13 is un-patentable. 35 U.S.C. § 324(a). A CBM patent excludes patents for “technological
14 inventions,” i.e., patents that claim “a technological feature that is novel and obvious over
15 the prior art; and solves a technical problem using a technical solution.” 37 C.F.R.
16 § 42.301(b). Regarding the ‘913 Patent, the PTAB denied the petitioner’s request because
17 the “conclusory language in the petition that none of the steps of a claim requires any
18 novel and unobvious technological implementation, or solves a technical problem,
19 without more, is not sufficient to demonstrate that the claimed subject matter is not a
20 technical invention.” (Doc. 304-5 at 10). The PTAB also faulted the petitioner for failing
21 to “analyze[] the method steps separately, instead of examining each claim as a whole, as
22 required” to determine whether the patent is a technological invention. (*Id.*)¹⁴

23 The Court has analyzed the ‘913 Patent Claims as a whole and concludes that no
24 “inventive concept” is recited, nor do the claims purport to solve a technical problem
25 using a technical solution. Instead, the claimed steps are conventional activities that
26 “nearly every computer” can perform. *Alice*, 134 S. Ct. at 2361. To the extent RPost

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28 ¹⁴ The PTAB applied similar reasoning for the ‘104 and ‘389 Patents. *See*
(Docs. 304-3 at 9–10; 304-4 at 9–10).

1 argues that the ‘913 Patent Claims solve a problem “necessarily rooted in computer
2 technology” as illustrated in *DDR Holdings*, see (Doc. 299 at 17), that argument fails for
3 two reasons. First, nothing in the claim language is innovative enough to “override[] the
4 routine and conventional” use of the computer. *Enfish*, 2016 WL 2756255, at *7–8; *DDR*
5 *Holdings*, 773 F.3d at 1258–59. In fact, the generalized steps of the ‘913 Patent Claims
6 are routine and conventional. Second, the problem purportedly addressed by the ‘913
7 Patent Claims is not “necessarily rooted in computer technology” as explained by *DDR*
8 *Holdings*. The “problem” of verifying the delivery of a message has long troubled mail
9 delivery systems, and the facile fact that the ‘913 Patent Claims are drawn to electronic
10 mailing is of no consequence. See, e.g., *Alice*, 134 S. Ct. at 2361; *buySAFE*, 765 F.3d at
11 1355. Ultimately, the claims are “recited too broadly and generically to be considered
12 sufficiently specific and meaningful applications of their underlying abstract ideas.” *DDR*
13 *Holdings*, 773 F.3d at 1256; see also *Internet Patents*, 790 F.3d at 1348 (finding patent
14 ineligible where claim “contain[ed] no restriction on how the result [was]
15 accomplished”). Accordingly, RPost’s “rooted in computer technology” and “technical
16 solution to technical problem” arguments do not furnish the necessary “inventive
17 concept” to confer patent-eligibility.

18 **iii. Conclusion**

19 For the foregoing reasons, the Court concludes that the ‘913 Patent Claims are
20 directed to the abstract idea of collecting information about the delivery of a message and
21 fail to add an “inventive concept” that “transforms” the idea into a patent-eligible
22 application. *Alice*, 134 S. Ct. at 2355. Accordingly, the Court will grant GoDaddy’s
23 motion for summary judgment on this issue and declare that ‘913 Patent Claim Nos. 1
24 and 2 are invalid under § 101.

25 **b. ‘104 Patent¹⁵**

26 The ‘104 Patent Claims disclose a method of providing information about the
27

28 ¹⁵ The asserted ‘104 Patent claims are Claim Nos. 1, 9, 27, 32. See (Docs. 258 at 2;
271-5 at 2; 300 at 2). These claims will be referenced as the “‘104 Patent Claims.”

1 opening of an electronic message sent from a sender to a recipient through a server. *See*
2 ‘104 Patent, col. 27 ll. 63–col. 28 ll. 16, col. 31 ll. 20–37. To accomplish this goal, the
3 server “add[s] a link” to the electronic message that executes when the message is opened
4 at the recipient to provide the server an indication that the message has been opened. *Id.*
5 Pursuant to Claim 1, the server then “provid[es] an authenticatable information” related to
6 the message, *id.* at col. 27 ll. 10–11, while under Claim 27, the server “constructs
7 authenticatable information” and “transmits” the “indication of opening” and
8 “authenticatable information” to the sender or originating processor, *id.* at col. 31 ll. 33–
9 37. In full, the ‘104 Patent Claims recite as follows:

10 **1.** A method of transmitting a message from a sender to a recipient
11 and providing an indication that the message was opened by the recipient,
12 comprising:

13 receiving the message at a server from the sender, the server being
14 displaced from the recipient,

15 adding a link to the message by the server, the link configured to
16 execute when the message is opened at the recipient to provide an
17 indication that the message has been opened by the recipient,

18 transmitting the message and the link from the server to the
19 recipient,

20 executing the link when the message is opened at the recipient to
21 control the server to provide an indication that the message has been
22 opened at the recipient,

23 providing an authenticatable information related to the message,
24 including the indication of the opening of the message at the recipient, at
25 the server,

26 transmitting the indication of the opening of the message at the
27 recipient, and the authenticatable information from the server to the sender.

28 *Id.* at col. 27 ll. 63–col. 28 ll. 16.

9. The method of claim 1, wherein transmitting the authenticatable
information includes transmitting a representation of the message.

Id. at col. 28 ll. 49–51.

27. A system for transmitting a message from an originating
processor to a recipient processor in an electronic mail system and
providing an indication that the message was opened by the recipient
processor, comprising:

1 a server in electronic communication in the electronic mail system,
2 the server receiving the message from the originating processor and adding
3 a link to the message before transmitting the message and link to the
4 recipient processor, the link being configured to execute automatically
5 when the message is opened at the recipient processor to control the server
6 to provide an indication at the server that the message has been opened at
7 the recipient processor; and

8 wherein the server constructs authenticatable information related to
9 the message; and

10 wherein the server transmits the indication of the opening of the
11 message at the recipient processor and the authenticatable information to the
12 originating processor.

13 *Id.* at col. 31 ll. 20–37.

14 **32.** The system of claim 27, wherein the server transmits the
15 indication of the opening of the message at recipient processor and the
16 authenticatable information to the originating processor in a secure,
17 verifiable manner.

18 *Id.* at col. 32 ll. 1–4.

19 **i. Step One: Patent-Ineligible Concept**

20 Similar to the ‘913 Patent Claims, the Court finds that the ‘104 Patent Claims are
21 directed to the abstract idea of collecting and providing information about the opening of
22 a message. The minor variation between the concepts—message “delivery” and message
23 “opening”—is inconsequential. Rather, the concept at the heart of the ‘104 Patent Claims
24 is directed to a generic idea that has been implemented in the electronic messaging
25 industry for years. For example, the ‘104 Patent’s specification recites that,

26 Many existing e-mail systems and e-mail programs already provide
27 for some form of proof of delivery. For instance, some e-mail systems
28 today allow a sender to mark a message with ‘request for notifications’
tags. Such tags allow a sender to request notification that the message was
delivered and/or when the message was opened. When a sender requests
delivery notification, the Internet e-mail system may provide the sender
with an e mail receipt that the message was delivered to the mail server or
the electronic inbox of the recipient. The receipt message may include the
title of the message, the destination address, and the time of delivery. It
may also include (depending on the types of “flags” that are provided and
activated in the mailing software) a list of all the Internet “stations” that the
message passed through en route to its destination. This form of reporting is

1 built into some of the rules and protocols which implement e-mail.
2 Furthermore, when a message is sent with a ‘read notification’ request, the
3 recipient’s email program may send to the sender an e-mail notification that
4 the recipient opened that message for reading. Many electronic mail clients
5 can and do support this kind of reporting; however, Internet protocols do
6 not make it mandatory.

7 *Id.* at col. 1 ll. 41–62; *see* (Doc. 271-17 at 10) (portion of Dr. Terrance Tomkow’s
8 deposition describing pre-existing process of adding links to electronic messages that
9 provide “read notifications” when activated at the recipient).

10 Furthermore, the concept of collecting and providing information about the
11 opening of a message is analogous to other data collection and tracking methods deemed
12 by courts to be drawn to abstract ideas. *See, e.g., Content Extraction*, 776 F.3d at 1347
13 (holding that a patent for reading and processing the data on checks was directed to the
14 abstract idea of “data collection, recognition, and storage,” processes that are
15 “undisputedly well-known”); *Wireless Media Innovations v. Maher Terminals*, 100 F.
16 Supp. 3d 405, 413 (D.N.J. 2015) (concluding that concept of “monitoring locations,
17 movement, and load status of shipping containers . . . and storing, reporting and
18 communicating this information in various forms through generic computer functions”
19 was too abstract for patent-eligibility); *YYZ*, 2015 WL 5886176, at *7 (finding that
20 apparatus and method for “measuring, monitoring, tracking, and simulating enterprise or
21 business communications and processes in an asynchronous messaging environment”
22 was directed to an abstract idea); *Neochloris, Inc. v. Emerson Process Mgmt. LLLP*, 2015
23 WL 5951753, at *4–5 (N.D. Ill. Oct. 13, 2015) (holding that claims describing process of
24 collecting data, transmitting data to computer, monitoring data using computer and
25 software, and sending alarms when problems arise, were directed to abstract idea).

26 RPost’s contention that the ‘104 Patent Claims are not directed to an abstract idea
27 because they can verify the opening of a message without the recipient’s cooperation or
28 compliance is unpersuasive. At their core, the ‘104 Patent Claims simply provide
information that a particular message was opened. Whether or not the ‘104 Patent Claims
require the recipient’s “cooperation” speaks not to whether the idea is abstract but to

1 whether the claims add an inventive concept, i.e., the second step in the *Alice* paradigm.
2 *See Ultramercial*, 772 F.3d at 715 (“We do not agree . . . that the addition of merely
3 novel or non-routine components to the claimed idea necessarily turns an abstraction into,
4 something concrete. In any event, any novelty in implementation of the idea is a factor to
5 be considered only in the second step of the *Alice* analysis.”).

6 Similarly, RPost’s argument that the ‘104 Patent Claims are not directed to an
7 abstract idea because they require “specific” steps to verify the opening of a message via
8 a tangible “intermediate server that records” and “forms” certain information is beside the
9 point; the claims merely recite the abstract idea of collecting and providing information
10 about the opening of a message. *See Alice*, 134 S. Ct. at 2358 (“The fact that a computer
11 necessarily exist[s] in the physical, rather than purely conceptual, realm . . . is beside the
12 point.”). The Federal Circuit recently explained that a relevant inquiry at the first step of
13 *Alice* is to “ask whether the claims are directed to an improvement to computer
14 functionality versus being directed to an abstract idea.” *Enfish*, 2016 WL 2756255, at *4.
15 Specifically, *Enfish* contrasted claims “directed to an improvement in the functioning of a
16 computer” with claims “simply adding conventional computer components to well-
17 known business practices,” or claims reciting “use of an abstract mathematical formula
18 on any general purpose computer,” or “a purely conventional computer implementation
19 of a mathematical formula,” or “generalized steps to be performed on a computer using
20 conventional computer activity.” *Id.* at *4–5; *see In re TLI Commc’ns*, 2016 WL
21 2865693, at *3 (same). Here, the ‘104 Patent Claims are not directed to a specific
22 improvement in computer functionality, but use conventional and generic technology to
23 perform “generalized steps” in a well-known environment. To be sure, the disclosed
24 “server” is indisputably not new,¹⁶ and the added “link” is nothing more than a standard

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26 ¹⁶ RPost admits as much in its opposition to summary judgment. *See* (Doc. 299 at
27 19) (“The inventive concept of the asserted claims does not lie in the computer
28 hardware.”). Furthermore, the server is described simply in terms of performing generic
computer functions such as transmitting, receiving, and storing data. *See* ‘104 Patent, col.
27 ll. 63–col. 28 ll. 16, col. 31 ll. 20–37. But these functions are described in vague terms

1 hyperlink configured to execute at a certain time,¹⁷ which certainly is not inventive.

2 Finally, the ‘104 Patent Claims do not solve “a challenge particular to the
3 Internet.” *DDR Holdings*, 773 F.3d at 1256–57. As explained above, the problem
4 purportedly “solved” by the Tomkow Patents was long prevalent in the pre-Internet,
5 analog world, and there is nothing unique to the Internet about collecting and providing
6 information about the opening of a message. Despite RPost’s endeavors to describe the
7 ‘104 Patent Claims as performing “specific” steps to provide “specific” information, the
8 claim language divulges nothing more than the process of transmitting a message, adding
9 a link to the message, and storing information about the message. These are all abstract
10 ideas individually, and in ordered combination, the steps recite an abstraction—an idea,
11 having no particular concrete or tangible form; namely, a method of receiving and
12 transmitting electronic messages and collecting the relevant data as to the opening of the
13 message. *See Ultramercial*, 772 F.3d at 715 (“Although certain additional limitations,
14 such as consulting an activity log, add a degree of particularity, the concept embodied by
15 the majority of the limitations describes only [an] abstract idea.”).

16 For these reasons, the Court finds that, like the claims at issue in *Content*
17 *Extraction* which were directed to “collecting data,” “recognizing certain data within the
18 collected data set,” and “storing the recognized data in memory,” 776 F.3d at 1347,
19 collecting and providing information about the opening and delivery of a message is a
20 well-established “basic concept” that is patent-ineligible under *Alice* step one.

21 ii. Step Two: Inventive Concept

22 RPost insists that the ‘104 Patent Claims add an inventive concept to the abstract
23 idea because after “receiving” the message, the server adds a link that is “configured to
24 execute” upon opening of the message, thereby generating an “indication” that the
25

26 without any meaningful limitations and thus, the “focus of the patentee and of the claims
27 was not on an . . . improved server.” *In re TLI Commc’ns*, 2016 WL 2865693, at *4.

28 ¹⁷ At *Markman*, the Court construed the claim term “link” by its plain and ordinary
meaning because it needed no clarification or explanation. (Doc. 219 at 35–36).

1 message was opened. (Doc. 299 at 18). RPost claims that evidence of an inventive
2 concept is seen by the server “transforming” the indication into something more, i.e.,
3 “authenticatable information.” (*Id.*) According to RPost, the inventive concept resides in
4 these “technical features” which enable a sender to verify the opening of a message
5 without the recipient’s “cooperation” or “compliance.” (*Id.* at 18–19).

6 To begin, “links” or “tags” have been added to electronic messages for decades.
7 As the ‘104 Patent’s specification teaches, “read notifications” and “request for
8 notification” tags have long been appended to electronic messages and are commonplace
9 in the electronic messaging industry. *See* ‘104 Patent, col. 1 ll. 41–62. Moreover, Dr.
10 Tomkow testified that the concept of inserting hyperlinks into e-mail was well-known
11 before the Tomkow Patents, *see* (Doc. 294 at 30–31), as were Internet links and
12 hyperlinks, *see (id.; Doc. 271-17 at 10)*. Thus, merely adding a “link” to a message is not
13 inventive. *See Sovereign Software LLC v. Newegg Inc.*, 705 F.3d 1333, 1344 (Fed. Cir.
14 2013) (finding that the use of “hypertext” to communicate information “was a routine
15 incorporation of Internet technology into existing processes”).

16 Similarly, the claimed “server” “fail[s] to add an inventive concept sufficient to
17 bring the abstract idea into the realm of patentability.” *In re TLI Commc’ns.*, 2016 WL
18 2865693, at *5. “For the role of a computer in a computer-implemented invention to be
19 deemed meaningful in the context of [the inventive concept] analysis, it must involve
20 more than performance of ‘well-understood, routine, [and] conventional activities
21 previously known in the industry.’” *Content Extraction*, 776 F.3d at 1347–48 (quoting
22 *Alice*, 134 S. Ct. at 2359). Here, the server merely “receives” a message, “adds” a link to
23 the message, and “transmits” the message. These steps fall squarely within Supreme
24 Court and Federal Circuit precedent finding generic computer components insufficient to
25 add an inventive concept to an otherwise abstract idea. *See, e.g., id.* at 1345, 1348
26 (holding that “storing information” into memory and using a computer to “translate the
27 shapes on a physical page into typeface characters” was insufficient to confer patent
28 eligibility); *Alice*, 134 S. Ct. at 2361 (“Nearly every computer will include a

1 ‘communications controller’ and a ‘data storage unit’ capable of performing the basic
2 calculation, storage, and transmission functions required by the method claims.”);
3 *buySAFE*, 765 F.3d at 1355 (“That a computer receives and sends the information over a
4 network—with no further specification—is not even arguably inventive.”); *Mortg.*
5 *Grader*, 811 F.3d at 1324–25 (holding that claimed components “interface,” “network,”
6 and “database” were merely “generic computer components” insufficient to confer
7 eligibility); *Intellectual Ventures I*, 792 F.3d at 1368 (finding that claimed components
8 “database,” “user profile,” and “communication medium” did not confer eligibility).

9 To the extent RPost argues that the link itself is “inventive” because it is
10 “configured to execute when the message is opened” thereby removing the need for
11 recipient “cooperation,” *see* (Doc. 299 at 18), the Court disagrees. A component that “can
12 be configured” to perform a claimed function—without more—is neither sufficiently
13 described nor sufficiently innovative to transform an abstract idea into patent-eligible
14 subject matter. *See Planet Bingo, LLC v. VKGS LLC*, 576 F. App’x 1005, 1008–09 (Fed.
15 Cir. 2014) (rejecting argument that unclaimed features are relevant for patent-eligibility
16 purposes). Thus, to broadly claim a method of accomplishing a routine function requires
17 more than just an “apply it” directive, even if in a specific technical environment. *See,*
18 *e.g., Alice*, 134 S. Ct. at 2358 (“[I]f a patent’s recitation of a computer amounts to a mere
19 instruction to implement an abstract idea on . . . a computer, . . . that addition cannot
20 impart patent eligibility.” (citing *Mayo*, 132 S. Ct. at 1301)); *Intellectual Ventures I*, 792
21 F.3d at 1368 (“Instructing one to ‘apply’ an abstract idea and reciting no more than
22 generic computer elements performing generic computer tasks does not make an abstract
23 idea patent-eligible.” (quoting *Alice*, 134 S. Ct. at 2359–60)).

24 Equally unpersuasive is RPost’s thin argument that the ‘104 Patent Claims’
25 “transform[ation]” of the “indication” into “authenticatable information” signals an
26 inventive concept. The Federal Circuit has held that the machine-or-transformation test
27 can provide a “useful clue” during the second step of the *Alice* framework. *See Bancorp*
28 *Servs.*, 687 F.3d at 1278. Thus, a claimed process can be patent-eligible under § 101 if:

1 “(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article
2 into a different state or thing.” *In re Bilski*, 545 F.3d 943, 954 (Fed. Cir. 2008) (en banc),
3 *aff’d on other grounds by Bilski*, 561 U.S. 593. In this case, the claim language does not
4 substantiate RPost’s contention that the “indication” is “transformed” into
5 “authenticatable information.” Rather, the claim language simply recites that the server
6 “provid[es] an authenticatable information related to the message, including the indication
7 of the opening of the message,” ‘104 Patent, col. 28 ll. 10–12, and “constructs
8 authenticatable information,” *id.* at col. 31 ll. 33–34. The claim language does not
9 disclose or even imply that the “indication” is in any way “transformed.”¹⁸ RPost’s
10 argument is therefore flawed from the start.¹⁹ Even if the “indication” was “transformed”
11 into “authenticatable information,” the ‘104 Patent Claims still do not disclose any details
12 as to *how* the “transformation” transpires, nor do they inform that the “transformed”
13 product, i.e., “authenticatable information,” is anything more than the general, pre-
14 existing “indication.” Such free-standing information is simply not patentable. *See*
15 *Digitech*, 758 F.3d at 1350 (“Data in its ethereal, non-physical form is simply information
16 that does not fall under any of the categories of eligible subject matter.”).

17 As was the case in *Alice*, the Court finds that “the function performed by the
18 computer at each step of the process is [p]urely conventional.” *Alice*, 134 S. Ct. at 2359
19 (quoting *Mayo*, 132 S. Ct. at 1298). Simply narrowing an abstract idea implemented by
20 pre-existing components to a particular technological environment is insufficient to pass
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22 ¹⁸ This is in contrast to the ‘389 and ‘199 Patent Claims which, as discussed
23 below, disclose that a “first information” is “form[ed] . . . *from*” a particular indication
24 and certain other information.

25 ¹⁹ In fact, the claim language implies the *opposite* of RPost’s argument. Namely,
26 the ‘104 Patent Claims disclose that at the end of the claimed process, the server
27 transmits the “indication of the opening of the message . . . *and* the authenticatable
28 information” to the sender. *Id.* at col. 28 ll. 14–16, col. 31 ll. 35–37 (emphasis added).
Pragmatically, there would be no reason to provide the sender with *both* pieces of
information if they included the *same* information. Thus, this suggests that the
“authenticatable information” is formed from other, non-claimed information.

1 muster under § 101. *See, e.g., Digitech*, 758 F.3d at 1348–51 (holding that claims
2 directed to digital image processing using math to combine data into a device profile
3 were too abstract despite narrow application); *Planet Bingo*, 576 F. App’x at 1009
4 (finding that claims failed to add an inventive concept to abstract idea because the claims
5 merely “recite a program that is used for the generic functions of storing, retrieving, and
6 verifying a chosen set of bingo numbers against a winning set of bingo numbers”). The
7 § 101 inquiry is focused on the claim language and whether the ordered combination of
8 the limitations disclose patent-eligible subject matter or add an inventive concept to an
9 abstract idea. Here, the ‘104 Patent Claims fail to recite any elements that individually or
10 as an ordered combination transform the abstract idea of collecting and providing
11 information about the opening of a message into a patent-eligible application.

12 **iii. Conclusion**

13 For these reasons, the Court concludes that the ‘104 Patent Claims are directed to
14 the abstract idea of collecting and providing information about the opening of a message
15 and fail to add an inventive concept to confer patent eligibility. *Alice*, 134 S. Ct. at 2355.
16 Accordingly, the Court will grant GoDaddy’s motion for summary judgment on this issue
17 and declare that ‘104 Patent Claim Nos. 1, 9, 27, and 32 are invalid under § 101.

18 **c. ‘198 Patent²⁰**

19 The ‘198 Patent, a continuation of the ‘104 Patent, claims a method of providing
20 information about the opening and delivery of an electronic message sent from a sender
21 to a recipient through a server. *See* ‘198 Patent, col. 28 ll. 6–25, col. 29 ll. 11–27, col. 30
22 ll. 7–25. To achieve this goal, a server adds a link to the electronic message that is
23 “configured to execute when the link is activated at the recipient” to provide the server an
24 indication that the message has been opened or delivered. *Id.* The server then forms
25 “authenticatable information” relating to the message, which includes the indication of

26
27 ²⁰ The asserted ‘198 Patent claims are Claim Nos. 1, 6, 7, 10, 18, 23, 32, 35. *See*
28 (Docs. 258 at 2; 271-5 at 2; 300 at 2). These claims will be referenced as the “‘198 Patent
Claims.”

1 opening or delivery, and transmits the “authenticatable information” to the sender. *Id.* In
2 full, the ‘198 Patent Claims recite as follows:

3 **1.** A method of transmitting a message from a sender to a recipient
4 and providing an indication that the message was opened by the recipient,
5 comprising:

6 receiving the message at a server from the sender, the server being
7 displaced from the recipient,

8 associating a link with the message by the server, the link configured
9 to execute when the link is activated at the recipient to provide an
10 indication that the message has been opened by a recipient,

11 transmitting the message and the link from the server to the
12 recipient,

13 executing the link when the link is activated at the recipient to
14 control the server to provide an indication that the message has been
15 delivered to the recipient,

16 providing an authenticatable information related to the message,
17 including the indication of the delivery of the message at the recipient, at
18 the server, and

19 transmitting the indication of the delivery of the message at the
20 recipient, and the authenticatable information from the server to the sender.

21 *Id.* at col. 28 ll. 6–25.

22 **6.** The method of claim **1**, wherein the link is activated at the
23 recipient to provide an indication that the message has been opened by the
24 recipient.

25 **7.** The method of claim **6**, wherein the indication of the opening of
26 the message at the recipient, and the authenticatable information are stored
27 in a memory.

28 *Id.* at col. 28 ll. 39–44.

10. The method of claim **1**, wherein the indication of the delivery of
the message, and the authenticatable information are stored in a memory.

Id. at col. 28 ll. 50–53.

18. A system transmitting a message from a sender to a recipient and
providing an indication that the message was opened by the recipient,
comprising:

a server in electronic communication with the sender and the
receiver, the server programmed to receive a message from the sender, to
associate a link with the message, the link configured to execute when the
link is activated at the recipient to provide an indication that the message

1 has been opened by a recipient, to transmit the message and the link from
2 the server to the recipient, wherein

3 the link is executed when the link is activated at the recipient to
4 control the server to provide an indication that the message has been
5 opened at the recipient, and

6 wherein the server is programmed to form an authenticatable
7 information related to the message, and to transmit the indication of the
8 opening of the message at the recipient and the authenticatable information
9 from the server to the sender.

10 *Id.* at col. 29 ll. 11–28.

11 **23.** The system of claim **18**, wherein the indication of the opening of
12 the message at the recipient, and the authenticatable information are stored
13 in a memory.

14 *Id.* at col. 29 ll. 41–43.

15 **32.** A system transmitting a message from a sender to a recipient and
16 providing an indication that the message was opened by the recipient,
17 comprising:

18 a server in electronic communication with the sender and receiver,
19 the server programmed to receive a message from the sender, to associate a
20 link with the message, the link configured to execute when the link is
21 activated at the recipient to provide an indication that the message has been
22 delivered to a recipient, to transmit the message and the link from the server
23 to the recipient, wherein

24 the link is executed when the link is activated at the recipient to
25 control the server to provide an indication that the message has been
26 delivered to the recipient; and

27 wherein the server is programmed to form an authenticatable
28 information related to the message, and to transmit the indication of the
delivery of the message to the recipient and the authenticatable information
from the server to the sender.

Id. at col. 30 ll. 7–25.

35. The system of claim **32**, wherein the indication of the delivery of
the message to the recipient, and the authenticatable information are stored
in a memory.

Id. at col. 30 ll. 31–33.

i. Step One: Patent-Ineligible Concept

As a continuation of the ‘104 Patent, the ‘198 Patent incorporates the same
features and components as its parent, such as a “server,” a “link,” a “message,” an

1 “MTA,” a “recipient,” a “sender,” and “memory.” Also similar is the general concept of
2 the ‘198 Patent. Like the ‘104 Patent Claims, the ‘198 Patent Claims disclose a method of
3 providing information about the opening of a message. And like the ‘913 Patent Claims,
4 the method described in the ‘198 Patent Claims also provides information about the
5 delivery of a message, albeit via activation of a link.

6 Because there is no practical difference between the concepts of these three
7 patents, the Court finds that the ‘198 Patent Claims are directed to the same abstract ideas
8 as the ‘913 and ‘104 Patent Claims, to wit, collecting and providing information about the
9 opening and delivery of a message. Consequently, for the reasons expressed above, the
10 Court finds that the ‘198 Patent Claims are directed to the patent-ineligible abstract idea
11 of collecting and providing information about the opening and delivery of a message.

12 **ii. Step Two: Inventive Concept**

13 Likewise, for the reasons detailed above regarding the ‘913 and ‘104 Patent
14 Claims, the Court concludes that the ‘198 Patent Claims fail to add “significantly more”
15 to the claimed abstract idea such that the idea is “transformed” into a patent-eligible
16 application. *Alice*, 134 S. Ct. at 2355. The functions recited by the ‘198 Patent Claims,
17 e.g., receiving a message, transmitting a message, adding a link, and storing information
18 using pre-existing components, are “conventional activities” that “nearly every
19 computer” can perform. *Id.* at 2361. Thus, because “[i]nstructing one to ‘apply’ an
20 abstract idea and reciting no more than generic computer elements performing generic
21 computer tasks does not make an abstract idea patent-eligible,” *Intellectual Ventures I*,
22 792 F.3d at 1368 (quoting *Alice*, 134 S. Ct. at 2359–60), the Court concludes that the
23 ‘198 Patent Claims do not add an inventive concept to the abstract idea.²¹

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26 ²¹ Additionally, the ‘198 Patent Claims recite that the “associated” link executes
27 “when activated at the recipient.” ‘198 Patent, col. 28 ll. 17–19. Unlike the ‘104 Patent
28 Claims, the ‘198 Patent Claims do not indicate *when* this activation takes place or *how*
the link is activated. Rather, the link simply executes when it is activated, thereby causing
the ‘198 Patent Claims to be even more opaque than the ‘104 Patent Claims.

1 **iii. Conclusion**

2 For the foregoing reasons, the Court finds that the ‘198 Patent Claims are directed
3 to the abstract idea of collecting and providing information about the delivery and
4 opening of a message and fails to add an inventive concept sufficient to confer patent
5 eligibility. Accordingly, the Court will grant GoDaddy’s motion for summary judgment
6 on this issue and declare that ‘198 Patent Claim Nos. 1, 6, 7, 10, 18, 23, 32, and 35 are
7 invalid under § 101.

8 **d. ‘389 Patent**²²

9 The ‘389 Patent discloses a “system and method of verifying delivery and integrity
10 of electronic messages.” ‘389 Patent, (54). Like the ‘913 Patent Claims, the ‘389 Patent
11 Claims attain this goal by using a server that receives a portion of a mail transport
12 protocol dialog generated by the transmission of the message from the server to the
13 recipient and an indication that the recipient has received the message. *Id.* at col. 27 ll.
14 58–67. The server then “form[s]” a “first information” from this data and “transmit[s]” it
15 to the sender. *Id.* at col. 28 ll. 1–7. In full, the ‘389 Patent Claims recite as follows:

16 **1.** A method of transmitting a message from a sender to a recipient
17 through a server displaced from the recipient, the steps at the server
18 comprising:

19 receiving the message at the server from the sender;

20 transmitting the message to the recipient;

21 receiving at the server at least a portion of a mail transport protocol
22 dialog generated during transmission of the message from the server to the
23 recipient;

24 receiving at the server from the recipient an indication of the receipt
25 of the message by the recipient;

26 forming at the server a first information from the at least a portion of
27 the mail transport protocol dialog and the indication of the receipt of the
28 message by the recipient; and

transmitting, before any authentication of the message, a copy of the
message and the first information to the sender from the server.

²² The asserted ‘389 Patent claims are Claim Nos. 1, 7, 12, 14, and 15. *See* (Docs. 258 at 2; 271-5 at 2; 300 at 2). These claims will be referenced as the “‘389 Patent Claims.”

1 *Id.* at col. 27 ll. 58–col. 28 ll. 7.

2 **7.** A system for transmitting a message through an electronic mail
3 system from an originating processor to a recipient processor and providing
4 proof of receipt of the message by the recipient processor, comprising:

5 a server displaced from the originating processor, the server capable
6 of being configured by software commands to:

7 receive a message from the originating processor and to transmit the
8 message to the recipient processor;

9 receive an indication of receipt of the message from the recipient
10 processor and a mail transport protocol dialog generated by the electronic
11 mail system during transmission of the message from the server to the
12 recipient processor;

13 generate a first information including the indication of receipt of the
14 message from the recipient processor and at least a portion of the mail
15 transport protocol dialog generated by the electronic mail system during
16 transmission of the message from the server to the recipient processor.

17 *Id.* at col. 28 ll. 33–52.

18 **12.** The system of claim **7**, further comprising a memory and
19 wherein the server is further configured to store a copy of the message and
20 the first information to the originating processor in the memory before any
21 authentication of the message by the server.

22 *Id.* at col. 29 ll. 8–12.

23 **14.** A method of transmitting a message from a sender to a recipient
24 through a server displaced from the recipient, the steps at the server
25 comprising:

26 receiving the message at the server from the sender, transmitting the
27 message to the recipient;

28 receiving at the server from the recipient a first information
including an indication of the receipt of the message by the recipient and at
least a portion of a generated during transmission of the first information
from the server to the recipient; and

 storing a representation of the message and the first information
received by the server from the recipient in a memory, before any
authentication of the message.

15. The method of claim **14**, further comprising:

 transmitting the representation of the message and the first
information received by the server from the recipient to the sender from the
server, before any authentication of the message.

Id. at col. 29 ll. 16–col. 30 ll. 13.

1 **i. Step One: Patent-Ineligible Concept**

2 Like the ‘913, ‘104, and ‘198 Patent Claims, at the heart of the ‘389 Patent Claims
3 is the general concept of collecting and providing information about a particular message,
4 which is similar to methods of “tracking,” “monitoring,” and “data collection,” that
5 courts have deemed to be directed to abstract ideas. *See, e.g., Content Extraction*, 776
6 F.3d at 1347–48 (“data collection, recognition, and storage”); *Wireless Media*
7 *Innovations*, 100 F. Supp. 3d. at 413 (“monitoring locations, movement, and load status .
8 . . . and storing, reporting and communicating this information in various forms through
9 generic computer functions”); *YYZ*, 2015 WL 5886176, at *7 (“measuring, monitoring,
10 tracking, and simulating enterprise or business communications and processes in an
11 asynchronous messaging environment”); *Neochloris*, 2015 WL 5951753, at *4–5
12 (“collecting,” “transmitting,” and “monitoring” data). Consequently, the Court finds that
13 the ‘389 Patent Claims are directed to the abstract idea of collecting and providing
14 information about the receipt of a message.

15 **ii. Step Two: Inventive Concept**

16 RPost contends that the ‘389 Patent Claims add an inventive concept because they
17 recite “specific ways to verify delivery of an electronic message using specific
18 information.” *See* (Doc. 299 at 14). Particularly, RPost explains that the claims require
19 the server to receive a “portion of a transport protocol dialog generated between the
20 server and a recipient during transmission of an electronic message” and an “indication of
21 receipt” of the message from the sender in order to “form” and “transmit” a “first
22 information” to the sender. *Id.*

23 Arguing that something is specific does not make it so. To be sure, underpinning
24 RPost’s “specifics” is “the performance of some business practice known from the pre-
25 Internet world along with the requirement to perform it on the Internet.” *DDR Holdings*,
26 773 F.3d at 1257. This is not a case where the claims are directed to “a problem
27 specifically arising in the realm of computer technology.” *DDR Holdings*, 773 F.3d at
28 1257. Rather, the problem of verifying the receipt of a message existed in the pre-

1 Internet, analog world, and the ‘389 Patent Claims simply disclose a process “for which
2 computers are invoked merely as a tool.” *Enfish*, 2016 WL 2756255, at *5.

3 Moreover, “whether or not [RPost] has added that special ‘something more’ to this
4 conventional business practice is determined by the quality, not the quantity, of its
5 specific adornments and limitations.” *Mobile Telecomms. Techs., LLC v. United Parcel
6 Serv., Inc.*, 2016 WL 1171191, at *7 (N.D. Ga. Mar. 24, 2016). Here, the server disclosed
7 in the ‘389 Patent Claims performs three general functions: “receiving” information,
8 “transmitting” information, and “forming” information. It is well-settled that “receiving”
9 and “transmitting” functions are conventional activities. *See Alice*, 134 S. Ct. at 2355.
10 The only arguably inventive concept is “forming” of “first information.” However, the
11 ‘389 Patent Claims do not chronicle *how* the “forming” is performed or even indicate that
12 the “first information” is anything more than the pre-existing input information, i.e., “at
13 least a portion of the mail transport protocol dialog and the indication of the receipt of the
14 message by the recipient.” ‘389 Patent, col. 28 ll. 1–3.²³ As stated above, mere
15 information—even information formed from “verifiable information” as RPost
16 contends—is not patentable. *See Digitech*, 758 F.3d at 1350. Consequently, no inventive
17 concept has been added by the claims.

18 **iii. Conclusion**

19 For the foregoing reasons, the Court finds that the ‘389 Patent Claims are directed
20 to the abstract idea of collecting and providing information about the receipt of a message
21 and fail to add an inventive concept sufficient to confer eligibility. Accordingly, the
22 Court will grant GoDaddy’s motion for summary judgment on this issue and declare that
23 ‘389 Patent Claim Nos. 1, 7, 12, 14, and 15 are invalid under § 101.

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27 ²³ Contrary to RPost’s argument, the PTAB did not “find” or “recognize” that the
28 “forming” step of the ‘389 Patent was a “technical feature that solves a technical
problem.” (Doc. 299 at 18–19). Instead, the PTAB merely determined that the petitioner
failed to meet its burden of proof to institute a CBM patent review. (Doc. 304-4 at 9–10).

1 **e. ‘199 Patent²⁴**

2 The ‘199 Patent, a continuation of the ‘389 Patent, claims a method of providing
3 information that an electronic message sent from a sender to a recipient through a server
4 failed to be delivered. ‘199 Patent, col. 27 ll. 58–col. 28 ll. 15. To accomplish this
5 objective, the ‘199 Patent Claims recite the same components and processes as the ‘389
6 Patent Claims, i.e., a server receives a portion of a mail transport protocol dialog
7 generated by the transmission of the message from the server to the recipient and an
8 indication from the recipient and then “form[s]” a “first information” from that data and
9 “transmit[s]” it to the sender. *Id.* at col. 27 ll. 58–col. 28 ll. 7. The lone distinction
10 between the ‘199 and ‘389 Patent Claims is that the “indication” received by the ‘199
11 Patent server indicates the failure of message delivery. *Id.* at col. 27 ll. 66–67. In full, the
12 ‘199 Patent Claims recite as follows:

13 **1.** A method of transmitting a message from a sender to a recipient
14 through a server displaced from the recipient, the steps at the server
comprising:

15 receiving the message at the server from the sender;

16 transmitting the message to the recipient;

17 receiving at the server at least a portion of a data transport protocol
dialog generated during transmission of the message from the server to the
18 recipient; and

19 receiving at the server from the recipient an indication of the failure
to deliver the message to the recipient;

20 forming at the server a first information from the at least a portion of
the data transport protocol dialog and the indication of the failure to deliver
21 the message by the recipient; and

22 transmitting, before any authentication of the message, a copy of the
first information to the sender from the server.

23 **2.** The method of claim **1**, wherein the copy of the first information
24 is stored in a memory in communication with the server.

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28 ²⁴ The asserted ‘199 Patent claims are Claim Nos. 1, 2, and 3. *See* (Docs. 258 at 2;
271-5 at 2; 300 at 2). These claims will be referenced as the “‘199 Patent Claims.”

1 3. The method of claim 1, wherein transmitting, before any
2 authentication of the message, includes transmitting a copy of the message
3 and the first information to the sender from the server.

4 ‘199 Patent, col. 27 ll. 58–col. 28 ll. 14.

5 **i. Step One: Patent-Ineligible Concept**

6 Like the asserted claims of its parent application, the Court finds that the ‘199
7 Patent Claims are directed to an abstract idea, namely, collecting and providing
8 information that a message was not delivered. The problem purportedly solved by the
9 ‘199 Patent Claims long permeated the pre-Internet, analog world, while the concept of
10 providing information that an electronic message failed to be delivered has been
11 implemented by standard SMTP “bounce” code for dozens of years. *See* (Docs. 258 at 8;
12 271-11 at 6; 300 at 7). Moreover, the concept of collecting and providing information that
13 a message was not delivered is similar to other concepts found by the Federal Circuit to
14 be directed to abstract ideas. *See CyberSource*, 654 F.3d at 1370 (finding that “collection
15 and organization of data” is directed to abstract idea); *Content Extraction*, 776 F.3d at
16 1347–48 (finding that “collecting data,” “recognizing certain data within the collected
17 data set,” and “storing the recognized data in memory” were directed to a patent-
18 ineligible concept). Consequently, the Court finds that the ‘199 Patent Claims are drawn
19 to an abstract idea.

20 **ii. Step Two: Inventive Concept**

21 Like its parent application, at the heart of ‘199 Patent Claims is a method “for
22 which computers are invoked merely as a tool.” *Enfish*, 2016 WL 2756255, at *5. There
23 is nothing new about the concept of providing information that a message was not
24 delivered—generic SMTP code has performed this feat for decades. *See* (Docs. 258 at 8;
25 271-11 at 6; 300 at 7). Further, as a continuation of the ‘389 Patent, the ‘199 Patent
26 Claims merely recite the same conventional steps, e.g., “transmitting,” “receiving,” and
27 “forming,” that are implemented by generic components, e.g., a “server,” a “sender,” and
28 a “recipient,” that decidedly do not add an inventive concept to the claims. *See, e.g.,*
Ultramercial, 772 F.3d at 717 (“[A]dding a computer to otherwise conventional steps

1 does not make an invention patent-eligible.”); *Intellectual Ventures I*, 792 F.3d at 1368
2 (“Instructing one to ‘apply’ an abstract idea and reciting no more than generic computer
3 elements performing generic computer tasks does not make an abstract idea patent-
4 eligible.” (quoting *Alice*, 134 S. Ct. at 2359–60)). Accordingly, the Court concludes that
5 no inventive concept has been added to the ‘199 Patent Claims sufficient to transform the
6 abstract idea into a patent-eligible application.

7 **iii. Conclusion**

8 For these reasons, the Court finds that the ‘199 Patent Claims are directed to the
9 abstract idea of collecting and providing information that a message was not delivered
10 and failed to add an inventive concept sufficient to confer eligibility. The Court will
11 therefore grant GoDaddy’s motion for summary judgment on this issue and declare that
12 ‘199 Patent Claim Nos. 1, 2, and 3 are invalid under § 101.

13 **B. Conclusion for Patent-Eligibility**

14 For the foregoing reasons, the Court concludes that all asserted claims of the
15 Feldbau and Tomkow Patents are ineligible and invalid under § 101.²⁵ The remainder of
16 GoDaddy’s motion for summary judgment will therefore be deemed moot.²⁶

17 **IV. RPost’s Motion for Summary Judgment**

18 RPost moves the Court for summary judgment on Count I of GoDaddy’s FAC.
19 (Doc. 284). In Count I, GoDaddy asserts that during the parties’ pre-suit discussions,
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22 ²⁵ On June 3, 2016, Judge Denise J. Casper of the United States District Court for
23 the District of Massachusetts ruled on a motion for judgment on the pleadings in a similar
24 case and held that the claims of the ‘389, ‘913, and ‘199 Patents are not directed to an
25 abstract idea and claim an inventive concept. *See Sophos Inc. v. RPost Holdings, Inc.*,
26 2016 U.S. Dist. LEXIS 72699 (D. Mass. June 3, 2016). The Court has considered Judge
27 Casper’s order and gives it “weight,” *see, e.g., Stevenson v. Sears, Roebuck & Co.*, 713
F.2d 705, 711 (Fed. Cir. 1983); *Gillette Co. v. S.C. Johnson & Son, Inc.*, 919 F.2d 720,
723 (Fed. Cir. 1990), but “reach[es] a contrary legal conclusion” after exercising due
“caution,” *see Mendenhall v. Cederapids, Inc.*, 5 F.3d 1557, 1569 (Fed. Cir. 1993).

28 ²⁶ As the Federal Circuit stated, “[t]he claim being invalid there is nothing to be
infringed.” *Richdel, Inc. v. Sunspool Corp.*, 714 F.2d 1573, 1580 (Fed. Cir. 1983).

1 RPost fraudulently misrepresented that it had “unrestricted rights” to enforce the Asserted
2 Patents in lieu of disclosing that the patents’ title was “clouded.” (Doc. 46 at 12–17).
3 Specifically, GoDaddy complains that RPost did not inform GoDaddy about litigation in
4 California and Texas that “clouded” ownership of the Asserted Patents. (*Id.* at 13).

5 In its motion for summary judgment, RPost contends that there is no disputed
6 issue of material fact as to whether it fraudulently misrepresented its patent ownership
7 during pre-suit discussions with GoDaddy. *See* (Doc. 284). RPost argues that GoDaddy
8 failed to present any evidence that RPost lacked the legal right to enforce the Asserted
9 Patents and therefore cannot be liable for not disclosing “clouded” title. (*Id.* at 13). RPost
10 also maintains that GoDaddy had knowledge of the California and Texas lawsuits via
11 discussions with RPost representatives and access to public records. (*Id.*) RPost finally
12 contends that Count I suffers from two pleading errors, namely, that “omissions” cannot
13 form the basis for a fraudulent misrepresentation claim under Arizona law and that
14 GoDaddy failed to plead a necessary element of fraudulent misrepresentation. (*Id.* at 7).

15 In response, GoDaddy argues that a disputed issue of material fact exists as to
16 whether title to the Asserted Patents is “clouded.” (Doc. 298). In GoDaddy’s view, if
17 there is a “cloud” on a patent’s title, the patent owner must disclose that fact to an alleged
18 infringer. (*Id.*) To that end, GoDaddy insists that there is a disputed issue of material fact
19 as to whether RPost fraudulently misrepresented that it possessed “unrestricted title” to
20 the Asserted Patents when a “cloud” on that title existed. (*Id.*)

21 **A. Background**

22 The ownership of the Asserted Patents has been detailed by the Court as follows:

23 Starting in 1999, Dr. Terrance Tomkow applied for the [Asserted
24 Patents], which describe a way of tracking and confirming delivery of
25 email. (Doc. 46 at 6). Kenneth Barton and Zafar Khan joined Tomkow in
26 creating a corporate structure to protect this intellectual property and
27 founded RPost International and a related organization called RPost, Inc.
28 (*Id.*) Tomkow, Barton, and Khan were all shareholders in RPost
International. (*Id.*) On September 13, 2000, Dr. Tomkow assigned his
patent applications to RPost International, and the three principals
unsuccessfully pursued funding to commercialize the intellectual property

1 owned by RPost International. (*Id.*)

2 Barton's relationship with Tomkow and Khan fell apart over time,
3 and Barton eventually brought two actions against Tomkow and Khan (the
4 "Barton Cases"). (*Id.*) First, on August 3, 2012, a California court found
5 that Tomkow, Khan, and RPost International had acted with malice,
6 oppression, and fraud when they converted Barton's RPost International
7 shares. (*Id.* at 7). Tomkow, Khan, and RPost International were ordered to
8 restore Barton's shares and to pay punitive and general damages. (*Id.*)
9 Second, Barton brought another state action against RPost International,
10 RMail, and RComm alleging that RPost International, Tomkow, and Khan
11 fraudulently transferred corporate assets, including intellectual property
12 assets, of RPost International to RComm and RMail. (*Id.*) Barton alleges
13 that Tomkow and Khan formed the new off-shore entity, RMail, and then
14 as officers of both RPost International and RMail, caused \$750,000 to be
15 transferred from RPost International to RMail. (*Id.* at 8). RMail used that
16 money to purchase RPost International's intellectual property assets,
17 including the [Asserted Patents]. (*Id.*) RPost International then paid
18 \$200,000 to RMail as a license fee for the use of those same intellectual
19 property assets. (*Id.*) Barton did not approve or sign any of these property
20 transfers. (*Id.* at 9). RPost has tried to exploit the [Asserted Patents] since
21 these transfers have occurred. (*Id.*)

22 Khan and Tomkow have each filed for bankruptcy under Chapter 13
23 (the "Bankruptcy Cases"), but Barton has objected to the bankruptcy filings
24 for various reasons. (*Id.*) In December 2013, the bankruptcy court granted
25 Barton's motions to convert Khan and Tomkow's Chapter 13 Bankruptcy
26 Cases to Chapter 7 and appointed a trustee to manage their assets, including
27 the [Asserted Patents]. (*Id.*)

28 RPost has filed lawsuits against several of GoDaddy's competitors
alleging infringement of the Patents-in-Suit, which have been consolidated
into one action called *Rmail Ltd. v. Amazon.com, Inc.*, No. 2:10-cv-258-
JRG in the Eastern District of Texas (the "*Amazon Case*"), filed August 24,
2012. (*Id.* at 10–11). Just before trial, one defendant in the *Amazon Case*
received correspondence from the plaintiff in the Barton Cases advising
that there should be no settlement or disposition in actions involving the
Patents-in-Suit until their ownership has been determined. (*Id.* at 11). In
light of this correspondence, on January 30, 2014, the judge in the Eastern
District of Texas stayed and administratively closed the *Amazon Case*
pending resolution of the patent ownership disputes. (*Id.* at 11).

GoDaddy.com, LLC v. RPost Commc'ns Ltd., 2014 WL 6908507, at *1–2 (D. Ariz. Dec.
9, 2014); (Doc. 105 at 2–3). The Court has also described the party's pre-suit discussions
as follows:

1 RPost first contacted GoDaddy via email on July 17, 2013 (“the
2 Email”) and advised of its belief that GoDaddy was infringing [the
3 Asserted Patents]. (Doc. 46-4). RPost alleged in the Email that GoDaddy’s
4 “business processes and electronic messaging and document operations”
5 infringed RPost’s patents. (Doc. 46-4 at 3). The Email also suggested that
6 GoDaddy “review the RPost patents noted below for a more complete
7 description of RPost patented technologies and review these in the context
8 of your technology operations.” (*Id.*) The Email then listed seventeen
9 patents owned by RPost including the Tomkow Patents, RMail Patents, and
10 others, with no attention drawn to any particular patent in the list. (*Id.* at 3–
11 4).

12 In a letter on October 4, 2013 (“the Letter”), RPost further asserted
13 the Tomkow Patents by providing claim charts “identifying certain claims
14 of certain patents and [GoDaddy’s] infringing conduct.” (Doc. 46-5 at 4).
15 RPost brought specific attention to GoDaddy’s “Express Email Marketing”
16 product and service. (*Id.*) Only claims from the Tomkow Patents were
17 analyzed, but RPost advised GoDaddy that “[i]t is likely that [GoDaddy’s]
18 products and services are infringing other claims of RPost’s patents.” (*Id.*)
19 RPost provided a comprehensive list of patents owned by RPost at the end
20 of the Letter, which included foreign and U.S. patents, the Tomkow
21 Patents, RMail Patents, and pending patent applications, with no attention
22 drawn to any specific patent.

23 On October 22, 2013, an RPost representative named Jerry Silver
24 called GoDaddy’s Associate General Counsel for Intellectual Property,
25 Karl Fazio, telephonically to discuss the Email and the Letter (“the Phone
26 Call”). (Doc. 84-2 at 3). Silver accused GoDaddy of infringing RPost’s
27 patents and brought up RPost’s past litigation, indicating that RPost is not
28 afraid to litigate in order to enforce its patents. (*Id.* at 4). Silver and Fazio
discussed RPost’s patents, but GoDaddy has provided no evidence that any
specific patents were discussed in detail. (*See id.* at 3–4; doc. 84 at 3–4).

Finally, on or about November 19, 2013, RPost sent GoDaddy a
PowerPoint presentation (“the Presentation”) entitled “Summary of
Preliminary Infringement Analysis.” (Doc. 84 at 4). On the cover page of
the Presentation, four of the Tomkow Patents were listed under a heading
entitled “Patents & Claims in Analysis,” and the ’219 patent (an RMail
Patent), along with one Tomkow Patent and three other patents, was listed
under a heading entitled “Additional Recommended Review.” (Doc. 84-2 at
10). On the next slide of the Presentation, there was a list of many patents
owned by RPost with no attention drawn to any particular patent. (Doc. 84-
2 at 11).

GoDaddy.com, LLC v. RPost Commc’ns Ltd., 2014 WL 6908520, at *1–2 (D. Ariz. Dec.

1 9, 2014); (Doc. 107 at 2–3).

2 **B. Fraudulent Misrepresentation**

3 In order to establish a fraudulent misrepresentation claim under Arizona law, a
4 claimant must show: “1) a representation; 2) its falsity; 3) its materiality; 4) the speaker’s
5 knowledge of the representation’s falsity or ignorance of its truth; 5) the speaker’s intent
6 that it be acted upon by the recipient in the manner reasonably contemplated; 6) the
7 hearer’s ignorance of its falsity; 7) the hearer’s reliance on its truth; 8) the right to rely on
8 it; and 9) his consequent and proximate injury.” *Echols v. Beauty Built Homes*, 647 P.2d
9 629, 631 (Ariz. 1982).

10 Because RPost also raises a pleading deficiency in addition to seeking summary
11 judgment, the Court notes that certain elements of fraud claims carry a higher standard of
12 pleading under the Federal Rules of Civil Procedure (“Rules”). Namely, “[i]n all
13 averments of fraud or mistake, the circumstances constituting fraud or mistake shall be
14 stated with particularity. Malice, intent, knowledge, and other condition of the mind of a
15 person may be averred generally.” Fed. R. Civ. P. 9(b). “To allege fraud with
16 particularity, a [claimant] . . . must set forth an explanation as to why the statement or
17 omission complained of was false or misleading.” *In re GlenFed, Inc. Sec. Litig.*, 42 F.3d
18 1541, 1548 (9th Cir. 1994). “While statements of the time, place and nature of the alleged
19 fraudulent activities are sufficient, mere conclusory allegations of fraud are insufficient.”
20 *Moore v. Kayport Package Exp., Inc.*, 885 F.2d 531, 540 (9th Cir. 1989).

21 **C. Analysis**

22 In Count I of its FAC, GoDaddy contends that because RPost’s ownership of the
23 Asserted Patents was called into question by the Barton and Bankruptcy Cases, RPost is
24 liable for fraudulently misrepresenting that it possessed “unclouded ownership in and
25 rights to enforce” the Asserted Patents. *See* (Doc. 46 at 16). In other words, GoDaddy
26 seeks to recover damages not because it believes (or has any evidence that) RPost does
27 not have the legal right to enforce the Asserted Patents, but because RPost did not inform
28 GoDaddy that a “cloud” shadows the patents’ title.

1 To begin, the Court questions the propriety of RPost challenging the adequacy of
2 GoDaddy's pleading via a motion for summary judgment where it is the movant's burden
3 to either set forth evidence proving that it is entitled to judgment as a matter of law or
4 show that the non-movant cannot establish all necessary elements of its claim.
5 Nonetheless, RPost argues that "[n]on-disclosure cannot form the basis of an Arizona-
6 based fraudulent misrepresentation claim because those are well-recognized as separate
7 torts under the Arizona common law." (Doc. 315 at 7) (citing *Resort Funding, L.L.C. v.*
8 *Canyonview Dev., L.P.*, 2012 WL 3760440, at *9 (Ariz. Ct. App. Aug. 30, 2012)).
9 Although it is true that Arizona distinguishes between tort claims for fraudulent
10 misrepresentation, fraudulent concealment, and non-disclosure, *see Wells Fargo Bank v.*
11 *Ariz. Laborers Local No. 395 Pension Trust Fund*, 38 P.3d 12, 34–36 (2002), Count I of
12 GoDaddy's FAC claims that RPost affirmatively misrepresented that it possessed
13 "unclouded ownership in and rights to enforce" the Asserted Patents while failing to
14 disclose the pending California and Texas actions, (Doc. 46 at 16). Because Count I
15 alleges that RPost affirmatively represented a particular fact that was false, the Court
16 finds that Count I falls within the contours of a claim for fraudulent misrepresentation.
17 *See Wells Fargo Bank*, 38 P.3d at 34 ("Where failure to disclose a material fact is
18 calculated to induce a false belief, 'the distinction between concealment and affirmative
19 misrepresentation is tenuous.'" (quoting *Schock v. Jacka*, 460 P.2d 185, 187 (Ariz.
20 1969))).²⁷

21 _____
22 ²⁷ The Court also rejects RPost's argument that Count I suffers from a pleading
23 deficiency because GoDaddy did not plead its ignorance of the falsity of RPost's
24 representations. Although GoDaddy did not plead that it lacked knowledge of the falsity
25 of RPost's representations in a separate number, the Rules permit a party to plead this
26 element "generally." *See* Fed. R. Civ. P. 9(b). In this regard, Count I incorporates
27 assertions that generally and plausibly allege that GoDaddy lacked knowledge of the
28 purported falsity of RPost's representations. Namely, Count I claims that GoDaddy
"reasonably relied to its detriment" on RPost's representations. (Doc. 46 at 17). Under
Arizona law, one cannot "reasonably rely" on information that is false. *See Fectay v.*
Tahiri, 2015 WL 7710272, at *2 (Ariz. Ct. App. Nov. 30, 2015). Thus, by pleading that it
"reasonably relied" on RPost's representations, GoDaddy "generally" pled that it lacked

1 Despite overcoming RPost’s pleading deficiency arguments, GoDaddy failed to
2 establish that any of RPost’s representations were, in fact, false. After substantial review
3 of the parties’ papers, the Court finds that GoDaddy has not articulated any disputed issue
4 of material fact as to “why the statement or omission complained of was false or
5 misleading.” *In re GlenFed, Inc. Sec. Litig.*, 42 F.3d at 1548. The fundamental problem
6 with Claim I is its underlying assumption that RPost had an obligation to inform
7 GoDaddy about the alleged “cloud” on the Asserted Patents’ title. *See* (Doc. 46 at 16).²⁸
8 GoDaddy, however, advanced no evidence or binding authority demonstrating that “free
9 and clear” ownership is necessary to *assert* a patent. The lone case cited by GoDaddy in
10 this regard is an unpublished decision from the Southern District of New York that
11 insignificantly remarks that “people do not ordinarily pay lawyers to bring lawsuits to
12 enforce patents that they do not own.” *Advanced Video Techs. LLC v. HTC Corp.*, 2015
13 WL 7621483, at *11 (S.D.N.Y. Aug. 28, 2015). Only through a particularly pretentious
14 reading of this statement could a reader smoke out any indication that a patent owner
15 must inform an alleged infringer about a “cloud” on the patent’s title, let alone arrive at
16 the conclusion that a patent owner must own its patent “free and clear” to assert it.²⁹

17 In any event, GoDaddy’s belief that RPost must have had “free and clear” title in
18 _____
19 knowledge of the representation’s alleged falsity.

20 ²⁸ The half-page of footnotes in GoDaddy’s brief explaining the “clouded title”
21 doctrine all relate to the *sale* of *real property*. *See* (Doc. 298 at 6). In contrast, the
22 provision of the Patent Act describing patent ownership states that “patents shall have the
23 attributes of *personal property*.” 35 U.S.C. § 261 (emphasis added). The only case
24 GoDaddy cites to support its conclusory theory that “[t]he clouded or defective title
25 doctrine, though typically arising in real property, applies with equal force to titles of
26 patents” is a 114 year-old case issuing from the D.C. Circuit. *See* (Doc. 298 at 6) (citing
Columbia Nat’l Sand Dredging Co. v. Miller, 20 App. D.C. 245, 252 (D.C. Cir. 1902)).
In any event, GoDaddy cites no authority to establish that *asserting* a patent (personal
property) against an alleged infringer is akin to the *sale* of real property.

27 ²⁹ GoDaddy also cites Rule 11 to support its argument that a patent must be owned
28 “free and clear” in order to be enforced. (Doc. 298 at 5). Rule 11, however, deals with
pleadings made to a court of law and certainly has no bearing on whether a patent must
be owned “free and clear” to be asserted before litigation. *See* Fed. R. Civ. P. 11(b).

1 order to assert its patents against GoDaddy in pre-litigation discussions is not required
2 under the law. Rather, the question of patent ownership focuses on whether RPost had
3 “legal title” to enforce the patents. *See, e.g., MyMail, Ltd. v. Am. Online, Inc.*, 476 F.3d
4 1372, 1375–76 (Fed. Cir. 2007) (“A plaintiff must demonstrate legal title to the patent at
5 the inception of the lawsuit to be entitled to sue for patent infringement.”); *Arachnid, Inc.*
6 *v. Merit Indus., Inc.*, 939 F.2d 1574, 1579 (Fed. Cir. 1991) (“[O]ne seeking to recover
7 money damages for infringement of a United States patent (an action ‘at law’) must have
8 held the legal title to the patent during the time of the infringement.” (citing *Crown Die &*
9 *Tool Co. v. Nye Tool & Mach. Works*, 261 U.S. 24, 40–41 (1923))); *Paradise Creations,*
10 *Inc. v. UV Sales, Inc.*, 315 F.3d 1304, 1309 (Fed. Cir. 2003) (“[I]n order to assert
11 standing for patent infringement, the plaintiff must demonstrate that it held enforceable
12 title to the patent at the inception of the lawsuit.”).

13 Consequently, as the party alleging fraudulent misrepresentation of patent
14 ownership, GoDaddy bears the burden of proving that RPost lacked “legal title” to the
15 Asserted Patents at the time of the representations. In this regard, GoDaddy failed to
16 provide any evidence showing that RPost did not have “legal title” to the patents, and no
17 court has determined otherwise.³⁰ Alleged clouded title to a patent does not mean that the
18 patent owner lacks legal title to assert that patent. *See Arachnid*, 939 F.2d at 1577–82
19 (holding that although a third-party’s legal title to the asserted patent was questioned by a
20 challenger’s equitable title at the time of the alleged infringement, only the legal title-
21 holder had the right to sue for money damages).³¹ Because GoDaddy “fail[ed] to make a

22
23 ³⁰ The Court explained this concept in its prior Order dismissing Counts III–XII of
24 GoDaddy’s FAC against certain RPost-affiliated entities. *See GoDaddy.com, LLC v.*
25 *RPost Commc’ns Ltd.*, 2014 WL 7263537, at *6 (D. Ariz. Dec. 9, 2014); (Doc. 106 at 9).
26 Specifically, the Court identified that the “legitimacy of the assignment of the Tomkow
27 Patents . . . is not the present issue before the Court, nor has that assignment been deemed
28 fraudulent by any court to date.” *Id.*

³¹ Again, the singular case cited by GoDaddy to argue that RPost should be liable
for fraudulently misrepresenting “unrestricted patent infringement litigation rights” is
untenable. *See* (Doc. 298 at 13) (citing *Intamin, Ltd. v. Magnetar Techs. Corp.*, 623 F.

1 showing sufficient to establish the existence of an element essential to [its] case, and on
2 which [it] will bear the burden of proof at trial,” *Celotex*, 477 U.S. at 322, summary
3 judgment in favor of RPost is appropriate.

4 Moreover, to prevail on a claim for fraudulent misrepresentation, GoDaddy must
5 show that RPost made a misrepresentation of *fact*. See *Wells Fargo Bank*, 38 P.3d at 34
6 n.22. In several instances, GoDaddy conflates representations of fact with representations
7 of opinion. For example, GoDaddy asserts that Mr. Khan fraudulently termed RPost’s
8 ongoing litigation in California and Texas as “nothing to worry about” and “frivolous.”
9 (Doc. 308-1 at 189). These assertions, however, were certainly not representations of
10 *fact*, but were Mr. Khan’s *opinions* that the ongoing cases concern unproven
11 allegations—which, to this day, still do. Whether GoDaddy relied on these statements is
12 inconsequential to the inquiry of whether the representations were of *fact*, an element of
13 fraud to which GoDaddy bears the burden of proof. See *Caruthers v. Underhill*, 287 P.3d
14 807, 816 (Ariz. Ct. App. 2012) (“Expressions of opinion are not material facts sufficient
15 to support a claim of fraud.” (citation omitted)).

16 Finally, even assuming a “cloud” covered RPost’s title to the Asserted Patents and
17 RPost’s representations of “unclouded ownership” were false, GoDaddy failed to present
18 evidence that the representations were “material.” Namely, even if a “cloud” existed, that
19 does not mean RPost did not have the legal right to enforce the patents, see *Arachnid*, 939
20 F.2d at 1577–82, and GoDaddy provided no evidence proving that RPost did not possess
21 legal title to the patents at the time of the representations. Without such evidence, RPost’s

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23 Supp. 2d 1055 (C.D. Cal. 2009)). In *Intamin*, the court determined that a patentee
24 “misrepresent[ed] . . . its ownership interest in the patent” pursuant to the unclean hands
25 doctrine when it sent a demand letter to an alleged infringer but *did not own* the patent.
26 623 F. Supp. 2d at 1072, 1077–78. In this case, the doctrine of unclean hands is not at
27 issue, and, more importantly, GoDaddy has set forth no evidence that RPost does not own
28 the Asserted Patents. In fact, GoDaddy even appears to concede that RPost *currently*
owns and has the right to enforce the patents. See (Doc. 298 at 10) (“A jury will see from
these claims that they created a cloud on title to the RPost Patents, with the resulting
material risk that RPost *would lose ownership of and the right to enforce the patents*
altogether” (emphasis added)).

1 representation of “unclouded ownership” could not have been “material” for fraud.

2 **D. Conclusion on RPost’s Motion for Summary Judgment**

3 Accordingly, the Court finds that even if all justifiable inferences are construed in
4 GoDaddy’s favor, no disputed issue of material fact exists such that a reasonable jury
5 could find RPost liable on Count I of the FAC. GoDaddy failed to set forth any evidence
6 that RPost’s representations of legal title to the Asserted Patents were materially false
7 even assuming the title was “clouded.” Simply because a third party makes a claim to a
8 patent’s title does not mean the patent owner simultaneously forfeits its legal right to
9 enforce the patent. Thus, the Court will grant RPost’s motion for summary judgment.

10 **V. Conclusion**

11 Based on the foregoing,

12 **IT IS ORDERED** that GoDaddy’s Motion for Summary Judgment (Doc. 257) is
13 **GRANTED** and the Court **DECLARES** as follows:

- 14 • The asserted claims of the ‘219 Patent, Claim Nos. 60, 62, 66, and 69, are
15 **INVALID** under 35 U.S.C. § 101.
- 16 • The asserted claims of the ‘913 Patent, Claim Nos. 1 and 2, are **INVALID**
17 under 35 U.S.C. § 101.
- 18 • The asserted claims of the ‘104 Patent, Claim Nos. 1, 9, 27, and 32, are
19 **INVALID** under 35 U.S.C. § 101.
- 20 • The asserted claims of the ‘198 Patent, Claim Nos. 1, 6, 7, 10, 18, 23, 32,
21 and 35, are **INVALID** under 35 U.S.C. § 101.
- 22 • The asserted claims of the ‘199 Patent, Claim Nos. 1, 2, and 3, are
23 **INVALID** under 35 U.S.C. § 101.
- 24 • The asserted claims of the ‘389 Patent, Claim Nos. 1, 7, 12, 14, and 15, are
25 **INVALID** under 35 U.S.C. § 101.
- 26 • The remainder of GoDaddy’s motion for summary judgment and the
27 remaining Counts seeking declarations in GoDaddy’s First Amended
28

1 Complaint are deemed moot.³²

2 **IT IS FURTHER ORDERED** that RPost’s Motion for Summary Judgment on
3 Plaintiff’s Count I (Fraudulent Misrepresentation of Patent Ownership) (Doc. 284) is
4 **GRANTED**.

5 **IT IS FURTHER ORDERED** that the jury trial set for August 22, 2016 is
6 **VACATED**.

7 **IT IS FINALLY ORDERED** that the Clerk of Court shall enter judgment in this
8 case with prejudice in favor of Plaintiff and against Defendants on Counts VIII–XIII and
9 XV of the First Amended Complaint.³³ Counts III–VII are **DISMISSED** without
10 prejudice as moot, Plaintiff shall take nothing on these Counts and the Clerk of Court
11 shall enter judgment accordingly on these Counts. The Clerk of Court shall enter
12 judgment in favor of Defendants and against Plaintiff on Count I of the First Amended
13

14 ³² RPost’s original infringement contentions included several claims that RPost
15 decided to withdraw after the Court’s *Markman* Order. *See* (Docs. 258 at 2, 12; 300 at 2,
16 10). These originally-asserted but withdrawn claims are as follows: ‘198 Patent Claim
17 No. 40; ‘199 Patent Claim No. 7; ‘389 Patent Claim Nos. 5 and 13; and ‘219 Patent
18 Claim Nos. 82, 86, and 88. *See* (Docs. 191-1 at 1, 10; 258 at 2, 12; 271-5 at 2; 300 at 2,
19 10). In its statement of facts, GoDaddy stated that the currently-asserted claims are as
20 follows: ‘219 Patent Claim Nos. 60, 62, 66, and 69; ‘199 Patent Claim Nos. 1, 2, and 3;
21 ‘198 Patent Claim Nos. 1, 6, 7, 10, 18, 23, 32, and 35; ‘389 Patent Claim Nos. 1, 7, 12,
22 14, and 15; ‘913 Patent Claim Nos. 1 and 2; and ‘104 Patent Claim Nos. 1, 9, 27, and 32.
23 (Doc. 258 at 2, 12). In support, GoDaddy attached an e-mail from RPost’s counsel dated
24 February 24, 2016, confirming these claims. *See* (Doc. 271-5 at 2). RPost did not dispute
25 these statements of fact or the e-mail. (Doc. 300 at 2, 10). Consequently, the Court will
26 treat the statements of fact as true, *see* Fed. R. Civ. P. 56(e)(2), and, because GoDaddy
27 moved for summary judgment on all currently-asserted claims, no claims remain pending
28 before the Court. Finally, GoDaddy’s First Amended Complaint requested a declaration
of invalidity of “each of the Patents-in-Suit.” (Doc. 46 at 38). To be clear, the Court does
not declare the entirety of each Asserted Patent to be invalid; rather, the Court holds and
declares invalid the currently-asserted claims expressly listed as invalid.

³³ Because the Counts on which Plaintiff prevailed seek only a declaration,
Plaintiff is not awarded any monetary damages. Plaintiff, should it so desire, may move
for an award of attorneys’ fees, consistent with the Federal and Local Rules, pursuant to
35 U.S.C. § 285.

1 Complaint. This judgment addresses the entire First Amended Complaint, (Doc. 46).³⁴
2 Due to the Declarations stated above, Defendants' Counterclaims, (Doc. 108), are
3 **DISMISSED** in their entirety without prejudice, and the Clerk of Court shall enter
4 judgment accordingly on the Counterclaims.

5 Dated this 7th day of June, 2016.

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James A. Teilborg
Senior United States District Judge

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³⁴ Counts II, XIV, and XVI of the First Amended Complaint were dismissed by prior Orders. *See* (Docs. 105, 107). The Court also notes that the First Amended Complaint seeks injunctive relief. *See* (Doc. 46 at 38). However, in moving for summary judgment (as opposed to partial summary judgment), Plaintiff failed to mention injunctive relief. Accordingly, the Court deems any such request to be waived. *See* Fed. R. Civ. P. 56(a) advisory committee's note to 2010 amendment (explaining "that summary judgment may be requested not only as to an entire case but also as to a claim, defense, or part of a claim or defense" and that "'partial summary judgment' . . . describe[s] disposition of less than the whole action"); *see generally Jenkins v. Cty. of Riverside*, 398 F.3d 1093, 1095 (9th Cir. 2005) (observing that party "abandoned" two claims plead in complaint "by not raising them in opposition to the [defendant]'s motion for summary judgment").