

No. _____

In the Supreme Court of the United States

PRISM TECHNOLOGIES LLC,
Petitioner,

v.

T-MOBILE USA, INC.,
Respondent.

*On Petition for Writ of Certiorari to the
United States Court of Appeals for the Federal Circuit*

PETITION FOR WRIT OF CERTIORARI

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QUESTION PRESENTED

Whether a district court's factual findings in support of its holding that claims are directed to patent eligible subject matter may be reviewed de novo, as the Federal Circuit requires (and as the panel did in this case), or only for clear error, as Rule 52(a) and corollary Supreme Court precedent require.

PARTIES TO THE PROCEEDING

All Parties to the proceeding are identified in the caption.

RULE 29.6 STATEMENT

Petitioner Prism Technologies, LLC is a wholly owned subsidiary of Prism Technologies Group, Inc., a public company listed on the NASDAQ that owns 10% or more of Prism Technologies, LLC's stock.

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PETITION FOR WRIT OF CERTIORARI

Petitioner Prism Technologies, LLC (“Prism”) respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit.

OPINIONS BELOW

The decision of the court of appeals is available at *Prism Techs., LLC v. T-Mobile USA, Inc.*, 696 F. App’x 1014 (Fed. Cir. 2017) and reproduced at Petitioner’s Appendix (Pet. App.) 1-9. The unpublished order of the court of appeals denying rehearing and rehearing en banc is reproduced at Pet. App. 37-38. The unpublished order of the court of appeals denying Prism’s motion to stay the mandate is reproduced at Pet. App. 39-40. The district court’s unpublished memorandum opinion denying Respondent T-Mobile USA, Inc.’s (“T-Mobile”) post-trial motion for judgment as a matter of law of patent ineligibility pursuant to Fed. R. Civ. P. 50(b) is available at *Prism Techs., LLC v. T-Mobile USA, Inc.*, 8:12CV124,2016 WL 1369349 (D. Neb. Apr. 6, 2016), *aff’d in part, rev’d in part, appeal dismissed*, 696 F. App’x 1014 (Fed. Cir. 2017) and is reproduced together with the district court’s related order and judgment at Pet. App. 10-19. The district court’s unpublished memorandum opinion denying T-Mobile’s post-trial motion for judgment as a matter of law of patent ineligibility pursuant to Fed. R. Civ. P. 50(a) is reproduced at Pet. App. 20-21. The district court’s unpublished order granting Prism’s motion for summary judgment of patent eligibility, and denying T-Mobile’s motion for summary judgment of patent ineligibility, is available at *Prism Techs., LLC v.*

T-Mobile USA, Inc., 8:12Cv124, 2015 WL 6161790 (D. Neb. Sept. 22, 2015) and reproduced at Pet. App. 22-28.

JURISDICTION

The court of appeals entered judgment on June 23, 2017 (Pet. App. 1-9) denied Prism's timely petition for rehearing and/or rehearing en banc on August 17, 2017 (Pet. App. 37-38), and denied Prism's timely motion to stay issuance of the mandate on August 24, 2017 (Pet. App. 39-40). This Court's jurisdiction rests on 28 U.S.C. § 1254(1).

INTRODUCTION

This case implicates the Federal Circuit's longstanding unwillingness to apply, in patent cases, the clear error standard of review demanded by this Court's unequivocal precedent and the Federal Rules of Civil Procedure. In particular, the precedent-setting question involved herein is whether appellate courts must apply a clear error, as opposed to a de novo, standard of review to a district court's underlying factual findings regarding patent eligibility under 35 U.S.C. § 101, particularly when based on a fully developed factual record. Resolution of this issue is of critical importance to patent cases, as trial and appellate courts across the nation seek to implement the legal test for patent eligibility under § 101 in the wake of this Court's landmark decision in *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014).

In this case, the District Court found the Asserted Claims¹ patent eligible under § 101 and made several dispositive factual findings in support thereof. The District Court’s factual findings were based on the evidence and expert opinion Prism offered during the four-year pendency of this matter and following a twelve-day jury trial before the District Court. On appeal, a three-judge panel of the Federal Circuit (the “Panel”) characterized § 101 patent eligibility as purely an issue of law and granted no deference to the District Court’s factual findings. Instead, the Panel applied a de novo standard of review to all aspects of the § 101 analysis, rejected outright the District Court’s factual findings, without identifying any error in those findings, and substituted its own view of the facts regarding the eligibility of the Asserted Claims.

The Panel’s decision conflicts with this Court’s precedent, Fed. R. Civ. P. 52(a)(6), and the Federal Circuit’s own extensive precedent, all of which confirm that a clear error standard of review applies to factual findings underlying other patent issues of law—namely, *Teva Pharms. USA, Inc. v. Sandoz, Inc.*, 135 S. Ct. 831 (2015) (Federal Circuit must review for clear error district court’s subsidiary factual findings regarding claim construction); *Mintz v. Dietz & Watson, Inc.*, 679 F.3d 1372 (Fed. Cir. 2012) (Federal Circuit must review for clear error district court determinations on factual inquiries underlying the obviousness analysis); *Alfred E. Mann Found. for Sci.*

¹ The “Asserted Claims,” which are the only claims addressed by the Federal Circuit decision below, are claims 1, 77, 87 of U.S. Patent No. 8,127,345 (the “345 Patent”) and claims 11, 37, 56 of U.S. Patent No. 8,387,155 (the “155 Patent”). Pet. App. 29-36.

Research v. Cochlear Corp., 841 F.3d 1334, 1341 (Fed. Cir. 2016) (Federal Circuit must review for clear error district court’s subsidiary factual findings regarding indefiniteness); Fed. R. Civ. P. 52(a)(6) (“Findings of fact, whether based on oral or other evidence, must not be set aside unless clearly erroneous, and the reviewing court must give due regard to the trial court’s opportunity to judge the witnesses’ credibility.”).

The Panel’s refusal to comport with this precedent in the context of § 101 is plainly erroneous, as the Federal Circuit itself has recognized that the patent eligibility inquiry may contain underlying factual issues. See *Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1325 (Fed. Cir. 2016) (“The § 101 inquiry ‘may contain underlying factual issues’”), quoting *Accenture Glob. Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1341 (Fed. Cir. 2013); *Arrhythmia Research Tech., Inc. v. Corazonix Corp.*, 958 F.2d 1053, 1055–56 (Fed. Cir. 1992) (the determination of “whether a claim is directed to statutory subject matter is a question of law . . . [that] may require findings of underlying facts specific to the particular subject matter and its mode of claiming . . .”). Moreover, by substituting its own independent factual findings for those of the District Court, the Panel’s decision was inconsistent with Supreme Court and Federal Circuit precedent that district courts are the best arbiters of facts that underlie questions of law. *Teva*, 135 S. Ct. at 838–39 (“A district court judge who has presided over, and listened to, the entirety of a proceeding has a comparatively greater opportunity to gain that familiarity than an appeals court judge who must read

a written transcript or perhaps just those portions to which the parties have referred.”) (citation omitted).

This case illustrates the importance of confirming that a district court’s factual findings in the context of a § 101 analysis must be granted deference because the standard of review the Panel applied was outcome determinative of the eligibility of the Asserted Claims. Had the Panel properly reviewed the District Court’s factual findings for clear error, it could not have determined that the Asserted Claims are patent ineligible, as the Panel’s findings are entirely inconsistent with those of the District Court. As this Court foretold in *Teva*, the District Court here gained extensive familiarity with the inventive concepts of the Asserted Claims after presiding over three trials in separate matters in which Prism asserted claims of the ’345 and ’155 Patents, each of which lasted approximately two weeks. In connection with these cases, the District Court reviewed hundreds of pages of briefings, considered thousands of pages of exhibits, and received hours of trial testimony from both fact and expert witnesses regarding the claims of the asserted patents. The Federal Circuit should not reject out-of-hand the District Court’s factual determinations founded on its in-depth familiarity with such evidence. Indeed, the Federal Circuit’s *de novo* review of facts relevant to § 101 engenders massive uncertainty in district court rulings—creating significant concerns for litigants and magnifying the disruption to parties’ settled expectations—particularly as the Federal

Circuit found patents ineligible in approximately 91% of the cases it considered since *Alice*.²

Moreover, this case demonstrates the very real and detrimental consequences of permitting inconsistent factual determinations between trial and appellate tribunals, as the District Court relied on the Panel's decision to undo a \$32 million patent infringement judgment Prism obtained against a defendant in a separate action that involved different claims and where patent eligibility and validity were not challenged.

Thus, granting Prism's petition for certiorari is both warranted and necessary, as it provides an opportunity for the Court to definitively answer in a manner consistent with its prior precedent an urgent question in patent law—namely, to confirm that clear error is the correct standard of review applicable to findings of fact underlying a district court's § 101 patent eligibility determination.

² See Bultman, Matthew, *Patents are Surviving Challenges Under Alice More Often*, Law360 (Sept. 22, 2017): https://www.law360.com/corporate/articles/966126?utm_source=sharedarticles&utm_medium=email&utm_campaign=shared-articles; see also Bilski Blog, The Fenwick & West Bilski Blog, *#AliceStorm: April Update and the Impact of TC Heartland on Patent Eligibility* (June 1, 2017), <http://www.bilskiblog.com/blog/2017/06/alicestorm-april-update-and-the-impact-of-tc-heartland.html>.

STATEMENT OF THE CASE**A. The District Court Repeatedly Found the Asserted Claims Patent Eligible Under 35 U.S.C. § 101 and *Alice***

Prism brought on April 4, 2012 a patent infringement action against T-Mobile, among other wireless carriers in separate actions, contending that T-Mobile infringed the asserted claims of Prism's patents, namely, the '345 and '155 Patents (together, the "Asserted Patents"). The claimed inventions of the Asserted Patents generally relate to controlling access to protected computer resources over an untrusted network using an Internet Protocol, such as the Internet.

Claim 1 of the '345 Patent, which is the only claim the Panel considered in its § 101 patent eligibility analysis,³ provides:

1. A method for controlling access, by at least one authentication server, to protected computer resources provided via an Internet Protocol network, the method comprising:

³ Prism contends that the Panel further erred in its patent ineligibility determination because it based its entire analysis on a single, non-representative independent method claim, i.e., Claim 1 of the '345 Patent, and failed to consider important limitations of the system claims and narrower dependent claims. This error, however, does not form the basis of Prism's instant petition for writ of certiorari. Prism reserves its right to pursue this argument in the event this Court grants certiorari, reverses the Panel's decision, and remands the case for further proceedings.

receiving, at the at least one authentication server from at least one access server, identity data associated with at least one client computer device, the identity data forwarded to the at least one access server from the at least one client computer device with a request from the at least one client computer device for the protected computer resources;

authenticating, by the at least one authentication server, the identity data received from the at least one access server, the identity data being stored in the at least one authentication server;

authorizing, by the at least one authentication server, the at least one client computer device to receive at least a portion of the protected computer resources requested by the at least one client computer device, based on data associated with the requested protected computer resources stored in at least one database associated with the at least one authentication server; and

permitting access, by the at least one authentication server, to the at least the portion of the protected computer resources upon successfully authenticating the identity data and upon successfully authorizing the at least one client computer device.

Pet. App. 2-3.

1. The District Court Granted Summary Judgment of Patent Eligibility of the Asserted Claims

The District Court granted summary judgment that the Asserted Claims are patent eligible under § 101 and reconfirmed this finding after presiding over the trial. Pet. App. 24-28, 14-15. Although the District Court found the claims to be directed to the abstract idea of “providing restricted access to resources,” it found the claims patent eligible because they include “concrete limitations” and are “directed to an inventive concept” that solved real-world networking problems. Pet. App. 25-28.

The District Court made several underlying factual findings in support of its determination that the Asserted Claims are patent eligible. In particular, the District Court considered the factual evidence and expert opinion offered by Prism, unrebutted by T-Mobile, establishing that the concepts of the Asserted Claims presented an unconventional “improvement over the current technology of that time,” and made the following factual findings identified in bold-italics:

During the mid-1990s, ***the patents addressed an inventive concept that solved the problem of delivering resources over an untrusted network.*** In addition, ***Prism presents evidence from its expert, Dr. Lyon,*** that the patents’ inventive use of identity associated with the client computer to control access to resources over an untrusted network was ***an improvement over the current technology of that time. After reviewing the claims, evidence, and various arguments,*** the Court

finds that asserted claims do include inventive concepts to ensure that patents in practice are more than just patents on restricting access to resources.

Pet. App. 26-27 (citations omitted) (emphasis added).

The District Court also found that the Asserted Claims modified the function of the computer networks to solve a problem unique to the Internet with a “specific method of solving that problem”:

[T]he patents in application do more than “broadly and generically claim ‘use of the Internet’ to perform an abstract business practice.” ***The claims modify the way the Internet functions to provide secure access over a protected computer resource.*** The problems addressed by Prism’s claims are ones that ***“arose uniquely in the context of the Internet,*** and the solution proposed was a ***specific method of solving that problem.***”

Pet. App. 27 (emphasis added), citing *DDR Holdings LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1258 (Fed. Cir. 2014).

In granting summary judgment of patent eligibility of the Asserted Claims, the District Court considered the parties’ briefing on the issue that totaled approximately ninety-nine pages, including twenty-seven exhibits and five appendices, and portions of three expert reports regarding validity and infringement of the Asserted Claims. The District Court explicitly confirmed in its summary judgment order that it based its ruling on this extensive evidence and opinion: “After reviewing the claims, evidence and

various arguments, the Court finds that [the] asserted claims do include inventive concepts to ensure that patents in practice are more than just patents on restricting access to resources.” Pet. App. 27.

2. The District Court Confirmed Post-Trial the Patent Eligibility of the Asserted Claims

After presiding over a twelve-day jury trial in October 2015,⁴ the District Court denied T-Mobile’s post-trial motions under both Fed. R. Civ. P. 50(a) and 50(b) for judgment as a matter of law (“JMOL”) that the Asserted Claims are ineligible under § 101. Pet. App. 18-19, 20-21. In connection with its ruling, the District Court considered approximately two-hundred-forty-three pages of JMOL briefing and over forty exhibits, including extensive excerpts from twelve volumes of trial transcripts. After reviewing this substantial evidence and argument, the District Court found that “[n]o new evidence was presented at trial to make the Court change its decision from the previous orders.” Pet. App. 14-15. Thus, the District Court reconfirmed its factual findings that the Asserted Claims contain inventive concepts and are therefore patent eligible under § 101.

B. The Panel Applied a De Novo Standard of Review to the District Court’s Judgment of Patent Eligibility

On appeal, the Panel did not grant deference to the District Court’s factual findings regarding patent eligibility of the Asserted Claims. Rather, the Panel

⁴ The jury returned a verdict of non-infringement of the Asserted Claims. Pet. App. 29-33.

applied a de novo standard of review to all aspects of the § 101 analysis. Pet. App. 5 (“Patent eligibility under [§ 101] is an issue of law reviewed de novo.”) (citation omitted); *id.* at 5 (“We review denial of JMOL motions under regional circuit law—here, the Eighth Circuit. The Eighth Circuit reviews a district court’s denial of a motion for JMOL de novo.”) (citations omitted). Applying this de novo standard, the Panel not only disregarded the District Court’s underlying factual findings, but also rejected outright those factual findings and substituted its own view of the facts regarding the eligibility of the Asserted Claims. Pet. App. 6-7. In particular, the Panel found the Asserted Claims conventional, rejecting without explanation or citation to any evidence in the record the District Court’s findings discussed above, including that the claims represented a technical improvement over the conventional technology. *Id.*

C. The Federal Circuit Denied Prism’s Requests for Panel Rehearing and/or Rehearing En Banc and to Stay Issuance of the Mandate

Prism timely filed a petition for panel rehearing and rehearing en banc urging the Federal Circuit to correct the Panel’s application of an incorrect de novo standard of review to the District Court’s underlying factual findings regarding patent eligibility under § 101. The Federal Circuit denied Prism’s petition for panel rehearing and for rehearing en banc without explanation. Pet. App. 37-38. Thereafter, Prism timely filed before the Federal Circuit a motion to stay issuance of the mandate in this matter, again urging the Federal Circuit that this case involves the precedent-setting question of whether an appellate

court must apply a clear error standard of review to subsidiary factual determinations made by district courts in deciding patent eligibility in accordance with applicable Supreme Court and Federal Circuit precedent. The Federal Circuit denied Prism's motion to stay issuance of the mandate. Pet. App. 39-40.

D. The District Court in a Separate Action Relied on the Panel's Decision to Vacate a Prior Judgment of Infringement on Different Claims of the Asserted Patents

As explained in Section II(B) below, the Panel's failure to apply the correct standard of review was outcome determinative of the patent eligibility of the Asserted Claims in this matter. In addition, the urgent consequences of the Panel's error is evident because the District Court relied on the Panel's decision to vacate a \$32 million judgment Prism obtained against a different wireless carrier defendant in a separate matter, wherein Prism asserted different claims under the '345 and '155 Patents that were not asserted at trial against T-Mobile.

Currently pending before the District Court are three other matters in which Prism asserted against other defendants various claims of the '345 and '155 Patents, namely: *Prism Techs., LLC v. Sprint Spectrum L.P. d/b/a/ Sprint PCS*, Civ. A. No. 8:12-cv-123 (D. Neb.) (the "*Sprint Action*"); *Prism Techs., LLC v. United States Cellular Corp.*, Civ. A. No. 8:12-cv-125 (D. Neb.) (the "*US Cellular Action*"); and *Prism Techs.,*

LLC v. Cellco Partnership d/b/a Verizon Wireless, Civ. A. No. 8:12-cv-126 (D. Neb.) (the “Verizon Action”).⁵

On June 23, 2015, Prism obtained in the *Sprint* Action a \$30 million dollar jury verdict of patent infringement against defendant Sprint Spectrum L.P. d/b/a Sprint PCS’s (“Sprint”). *Prism Techs., LLC v. Sprint Spectrum L.P.*, No. 8:12CV123, 2017 WL 3396463, at *2 (D. Neb. Aug. 8, 2017). Importantly, Sprint did not contest at trial in the *Sprint* Action the patent eligibility or validity of the asserted patent claims. *Id.* The District Court subsequently increased the damages award to \$32 million.

The jury in the *Sprint* Action found that Sprint infringed certain patent claims that Prism did not assert at trial against T-Mobile. In particular, Prism asserted at trial against Sprint Claim 33 of the ’345 Patent and Claim 7 of the ’155 Patent, neither of which Prism asserted at trial against T-Mobile. *Id.* Following post-trial motions, the Court entered final judgment confirming the jury verdict. *Id.* Sprint appealed and the Federal Circuit on March 6, 2017 affirmed the District Court’s judgment against Sprint and issued its mandate on May 15, 2017. *Id.* at *2, 6.

Notwithstanding that the jury verdict in the *Sprint* Action involved different claims than those addressed

⁵ The *US Cellular* and *Verizon* Actions are stayed pending resolution of appeals to the Federal Circuit in this matter and the *Sprint* Action. Prism also proceeded to trial against defendant AT&T Mobility, LLC in October 2014, which ended when the parties executed a license and settlement agreement prior to the jury verdict. *Prism Techs., LLC v. AT&T Mobility, LLC*, Civ. A. No. 8:12-cv-122 (D. Neb.) (the “AT&T Action”).

by the Panel in its decision below, on August 8, 2017, the District Court in the *Sprint* Action relied on the Panel's patent ineligibility decision in this case to grant defendant Sprint's motion for relief from judgment pursuant to Fed. R. Civ. P. 60(b). *Id.* at *4-5. In so doing, the District Court did not conduct an independent analysis of the patent eligibility of the non-overlapping claims. Instead, the District Court erroneously found that those claims were included in the Panel's decision of patent ineligibility. *Id.*

Thus, the consequences of the Panel's failure to grant deference to the District Court's factual findings underlying the patent eligibility of the Asserted Claims in this case are so far reaching that the Panel's decision is being used to undo a \$32 million judgment of infringement after an eight-day jury trial in a *different* matter involving *different* patent claims where the validity of such claims was *not challenged at trial* and that was upheld on appeal to the Federal Circuit. This case presents the opportunity to reign in such unfettered discretion by the Federal Circuit to nullify on a bare appellate record the extensive factual analysis performed by the District Court in determining patent eligibility.

REASONS FOR GRANTING THE PETITION

This case presents a straightforward opportunity for this Court to establish with clarity the clear error standard of review by which the Federal Circuit, which is the national court for patent appeals, must review factual findings by district courts in the course of § 101 patent eligibility decisions. This issue is a matter of critical and nationwide importance as patent eligibility challenges continue to rise in the post-*Alice* legal environment. Bultman, Matthew, *Patents are Surviving Challenges Under Alice More Often*, Law360 (Sept. 22, 2017) (explaining that the Federal Circuit held patents invalid in 102 of the 111 cases involving § 101 challenges it decided since *Alice* in 2014).

Indeed, this case highlights the dangers to both courts and litigants in leaving this issue unresolved. *First*, the Panel's decision below is irreconcilable with repeated precedent from this Court and the Federal Circuit itself that appellate courts must apply a clear error, not a de novo, standard of review to subsidiary factual determinations made by district courts in deciding questions of law regarding patent issues such as claim construction, obviousness and indefiniteness. There is no basis to depart from this unequivocal precedent in the context of determining patent eligibility under § 101, particularly because the Federal Circuit itself recognizes that patent eligibility is a hybrid question of law and fact. *See Mortg. Grader, Inc.*, 811 F.3d at 1325; *Arrhythmia Research Tech., Inc.*, 958 F.2d at 1055–56. Yet, that is precisely what the Panel did here. This case therefore presents an opportunity for this Court to guarantee conformity in legal standards of review by confirming that district

courts' factual findings underlying § 101 patent eligibility decisions are entitled to the same deference as factual findings underlying all other patent issues of law.

Second, this case also presents the opportunity for this Court to reaffirm its longstanding tenant that district courts, not appellate courts, are the best arbiters of facts. *Teva*, 135 S. Ct. at 838–39 (“precedent” and “practical considerations” support applying clearly erroneous standard of review to factual findings of district court judge who had “comparatively greater opportunity” to gain familiarity with specific factual issues); *Anderson v. Bessemer City*, 470 U.S. 564, 574 (1985) (“The trial judge’s major role is the determination of fact, and with experience in fulfilling that role comes expertise.”). By invoking a de novo standard of review, the Panel reserved for itself the fact-finding role and disregarded the findings of the District Court following its extensive consideration of evidence, argument and twelve-days of trial. The Panel undid these efforts by an oversimplified and non-deferential reading of the record, reaching a conclusion that directly contradicts the District Court’s factual findings. The outcome determinative consequences of the Panel’s refusal to grant deference are at the forefront of this petition and highlight the shortcomings of allowing the Federal Circuit to entirely disregard under a de novo standard of review the District Court’s subsidiary factual findings regarding § 101 eligibility. Such an approach only increases the uncertainty caused by the Federal Circuit’s high rate of post-*Alice* ineligibility rulings. Granting this petition affords an opportunity for this Court to once again confirm that facts are best found by district courts and

afforded deference on appeal by appellate courts and to ensure consistency between trial and appellate courts regarding factual determinations underlying the resolution of questions of law.

I. Granting the Petition is Necessary to Confirm the Clear Error Standard of Review Applicable to District Court Factual Findings Underlying a § 101 Patent Eligibility Determination

This Court, Rule 52(a)(6), and the Federal Circuit itself in decisions dealing with other issues of patent law, unequivocally mandate that appellate courts may not set aside findings of fact unless they are clearly erroneous. This same standard should apply in the context of § 101 patent eligibility determinations.

In *Teva*, this Court held that, when reviewing a district court’s resolution of subsidiary factual matters made in the course of claim construction, the Federal Circuit must apply a “clear error,” rather than a de novo, standard of review. 135 S. Ct. at 838. This Court based its ruling in *Teva* on the “clear command” set forth in Federal Rule of Civil Procedure 52(a)(6)—namely, that an appellate court “must not . . . set aside” a district court’s “[f]indings of fact” unless they are “clearly erroneous.” *Id.* at 836. Rule 52(a) applies to “all actions tried upon the facts without a jury.” *United States v. U.S. Gypsum Co.*, 333 U.S. 364, 394-95 (1948) (emphasis added). This Court ruled in *Teva* that Rule 52(a)(6) “does not make any exceptions or purport to exclude certain categories of factual findings from the obligation of a court of appeals to accept a district court’s findings unless clearly erroneous.” 135 S. Ct. at 837 (citing *Pullman-Standard*

Co. v. Swint, 456 U.S. 273, 287 (1982)). This Court further found that “clear error review is ‘particularly’ important where patent law is at issue because patent law is ‘a field where so much depends upon familiarity with specific scientific problems and principles not usually contained in the general storehouse of knowledge and experience.’” *Id.* at 838–39 (citing *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 610 (1950)).

The Federal Circuit repeatedly applied the same approach of reviewing without deference the legal conclusions of patent obviousness and indefiniteness, but reviewing for clear error the factual determinations underlying such conclusions. *Mintz*, 679 F.3d at 1375 (“This court reviews . . . determinations on the factual inquiries underlying the obviousness analysis for clear error.”) (citing *Eli Lilly & Co. v. Zenith Goldline Pharm., Inc.*, 471 F.3d 1369, 1377 (Fed. Cir. 2006) (“This court reviews obviousness without deference as a legal conclusion with underlying factual determinations which are reviewed for clear error.”); *Medichem, S.A. v. Rolabo, S.L.*, 437 F.3d 1157, 1164 (Fed. Cir. 2006) (“Obviousness under 35 U.S.C. § 103 is a legal conclusion that is reviewed de novo; however, it is based in turn on underlying factual determinations which are reviewed for clear error.”); *Alfred E. Mann Found. for Sci. Research*, 841 F.3d 1334 at 1341 (“The ultimate determination of indefiniteness is a question of law that we review de novo, although any factual findings by the district court based on extrinsic evidence are reviewed for clear error.”); *UltimatePointer, L.L.C. v. Nintendo Co.*, 816 F.3d 816, 826 (Fed. Cir. 2016) (“We review a district court’s ultimate determination that a claim is invalid as

indefinite under 35 U.S.C. § 112 ¶ 2 de novo, although, as with claim construction, any factual findings by the district court based on extrinsic evidence are reviewed for clear error.”)

There is no reason to depart from this approach in the context of § 101 patent eligibility, which the Panel erroneously did here, particularly because the Federal Circuit itself recognizes that § 101 is a hybrid question of law and fact. *See Mortg. Grader, Inc.*, 811 F.3d at 1325 (“The § 101 inquiry ‘may contain underlying factual issues’”), quoting *Accenture Glob. Servs., GmbH*, 728 F.3d at 1341; *Arrhythmia Research Tech., Inc.*, 958 F.2d 1055–56 (the determination of “whether a claim is directed to statutory subject matter is a question of law . . . [that] may require findings of underlying facts specific to the particular subject matter and its mode of claiming”).

It is of paramount importance that this Court announce with certainty the standard of review applicable to factual findings underlying § 101 determinations, particularly as patent eligibility challenges proliferate following *Alice*. History instructs that without such explicit precedent, the Federal Circuit will continue to apply a de novo standard of review that reserves for itself the power to act as the ultimate arbiter of both fact and law in § 101 determinations, notwithstanding that such a standard of review conflicts with its own rulings and this Court’s precedent.

In *Teva*, for example, the Federal Circuit employed for approximately nineteen years a de novo review of a district court’s factual findings regarding claim construction—a position contrary to the explicit

language of Rule 52(a) and Supreme Court precedent confirming the “clear command” that findings of fact must be reviewed for clear error. *Teva*, 135 S. Ct. at 836. The Federal Circuit maintained its erroneous position until this Court granted certiorari in *Teva* and explicitly held that “the appellate court must apply a ‘clear error,’ not a de novo, standard of review” when reviewing a district court’s resolution of subsidiary factual matters during patent claim construction. *Id.* at 835.

Prism herein raises in the § 101 context the same question for which the Supreme Court granted certiorari in *Teva*. In particular, in *Teva*, the petitioner raised the following substantial question in its petition: “Whether a district court’s factual finding in support of its construction of a patent claim term may be reviewed de novo, as the Federal Circuit requires (and as the panel explicitly did in this case), or only for clear error, as Rule 52(a) requires.” *Teva Pharms. USA, Inc. v. Sandoz, Inc.*, No. 13-854, 2014 WL 230926, at *i (Jan. 16, 2014) (Teva Petition for a Writ of Certiorari). This Court granted Teva’s petition for writ of certiorari (*Teva Pharms. USA, Inc. v. Sandoz, Inc.*, 134 S. Ct. 1761 (2014)), and ultimately vacated the Federal Circuit’s decision which improperly “rejected the District Court’s factual findings without concluding that they were clearly erroneous.” *Teva*, 135 S. Ct. at 843.

Granting Prism’s petition for writ of certiorari is necessary to put a stop to the Federal Circuit’s improper application of a de novo standard of review to the District Court’s factual determinations relating to patent eligibility under § 101. Those underlying

factual findings should be reviewed for clear error. The Panel would have found the Asserted Claims patent eligible if it gave deference to the District Court's underlying factual findings (as explained more fully in the following section). Thus, establishing the applicable standard of review is critical to correcting the outcome determinative consequences of the Federal Circuit's error.

II. Granting the Petition is Necessary to Ensure that District Court Factual Findings Receive Appellate Deference and to Avoid Inconsistent Factual Findings by Appellate Courts

The Panel's failure to grant deference to the District Court's factual findings regarding § 101 patent eligibility (i) contradicts this Court's longstanding precedent that appellate courts are not to decide factual issues *de novo*; and (ii) resulted in the exact same outcome determinative rejection of the District Court's factual findings that this Court criticized in *Teva*. As such, granting Prism's petition for certiorari is necessary to ensure that appellate courts afford deference to district court findings of fact and to guarantee consistency between tribunals.

A. Granting the Petition is Necessary to Confirm that Appellate Courts Do Not Decide Factual Issues De Novo

This Court reaffirmed in *Teva* that appellate courts, when reviewing the factual findings of a district court, "must constantly have in mind that their function is not to decide factual issues *de novo*." *Teva*, 135 S. Ct. at 837 (citation omitted). With this fundamental tenant in mind, this Court enumerated the multiple

reasons that factual findings are entitled to appellate deference.

First, this Court and the Federal Circuit have long held that district courts are the best arbiters of facts. *Teva*, 135 S. Ct. at 838–39 (“A district court judge who has presided over, and listened to, the entirety of a proceeding has a comparatively greater opportunity to gain that familiarity than an appeals court judge who must read a written transcript or perhaps just those portions to which the parties have referred.”) (citing *Lighting Ballast Control LLC v. Philips Electronics North Am. Corp.*, 744 F.3d 1272, 1311 (Fed. Cir. 2014) (en banc) (O’Malley, J., dissenting) (“Federal Circuit judges ‘lack the tools that district courts have available to resolve factual disputes fairly and accurately,’ such as questioning the experts, examining the invention in operation, or appointing a court-appointed expert.”)); *Anderson*, 470 U.S. at 574 (“The trial judge’s major role is the determination of fact, and with experience in fulfilling that role comes expertise”). This Court in *Teva* reaffirmed that this is particularly true where patent law is at issue because it is “a field where so much depends upon familiarity with specific scientific problems and principles not usually contained in the general storehouse of knowledge and experience.” *Id.* (citing *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605, 610). Thus, practical considerations favor clear error review of subsidiary factual findings underlying questions of law. *Teva*, 135 S. Ct. at 838–39.

Second, Rule 52(a)(6) explicitly mandates that both subsidiary and ultimate findings of fact must not be set aside unless clearly erroneous, and does not

contemplate any exceptions. *Teva*, 135 S. Ct. at 837 (citing *Pullman-Standard Co.*, 456 U.S. at 287). Indeed, this Court confirmed the judicial waste that results from creating exceptions to Rule 52(a)(6), stating: “Even if exceptions to the Rule were permissible, we cannot find any convincing ground for creating an exception to that Rule here. The Rules Advisory Committee pointed out that, in general, exceptions ‘would tend to undermine the legitimacy of the district courts [], multiply appeals [], and needlessly reallocate judicial authority.’” *Id.* at 837 (citing Advisory Committee’s 1985 Note on subd. (a) of Fed. Rule Civ. Proc. 52); *see also Anderson*, 470 U.S. at 574-75 (de novo review of factual findings “would very likely contribute only negligibly” to accuracy “at a huge cost in diversion of judicial resources”). The instant case well illustrates this waste of judicial resources, as the Panel’s disregard for the District Court’s factual findings negated years of litigation (including three separate trials), a jury verdict in a separate case and a different Panel’s affirmance of that verdict.

Third, separating factual and legal issues is a function well within the ordinary functions of appellate courts. *Teva*, 135 S. Ct. at 839 (“Courts of appeals have long found it possible to separate factual from legal matters.”) (citing *First Options of Chicago, Inc. v. Kaplan*, 514 U.S. 938, 947–948 (1995) (review of factual findings for clear error and legal conclusions de novo is the “ordinary” standard for courts of appeals). Conversely, the Federal Circuit’s attempts to treat factual findings and legal conclusions similarly “have brought with them their own complexities.” *Id.*

This Court in *Teva* cited numerous instances in which the Federal Circuit has recognized the need to account for the view of the district court regarding facts that underlie a question of law, while ostensibly applying a de novo standard of review. *Id.* (citing *Dow Jones & Co. v. Abblaise Ltd.*, 606 F.3d 1338, 1344–1345 (Fed. Cir. 2010) (“[T]his court,” while reviewing claim construction without deference, “takes into account the views of the trial judge”); *Nazomi Communications Inc. v. Arm Holdings, PLC*, 403 F.3d 1364, 1371 (Fed. Cir. 2005) (“[C]ommon sense dictates that the trial judge’s view will carry weight” (citation and internal quotation marks omitted)); *Lighting Ballast Control LLC*, 744 F.3d at 1294 (Lourie, J., concurring) (we should “rarely” overturn district court’s true subsidiary fact finding; “we should, and do, give proper informal deference to the work of judges of a subordinate tribunal”); *Cybor Corp. v. FAS Techs.*, 138 F.3d 1448, 1480 (Fed. Cir. 1998) (opinion of Newman, J.) (“By continuing the fiction that there are no facts to be found in claim interpretations, we confound rather than ease the litigation process”); *see also Anderson*, 470 U.S. at 575 (the parties “have already been forced to concentrate their energies and resources on persuading the trial judge that their account of the facts is the correct one; requiring them to persuade three more judges at the appellate level is requiring too much”).

B. Granting the Petition is Necessary to Avoid Inconsistent Factual Determinations Between Trial and Appellate Tribunals

This Court in *Teva* expressed in detail its concern that applying a de novo standard of review to a district court’s subsidiary factual findings would result in

inconsistent factual determinations between district and appellate courts. Yet, the Federal Circuit repeated this exact scenario here by refusing to grant deference to the District Court's subsidiary factual findings regarding § 101 patent eligibility.

In *Teva*, this Court provided an illustrative example in which the Federal Circuit improperly did not accept the testimony of a party's expert, which the District Court credited and used as the basis for its legal conclusion. *Teva*, 135 S. Ct. at 842-43. The Federal Circuit simply rejected the expert's testimony "without finding that the District Court's contrary determination was 'clearly erroneous.'" *Id.* at 843. This Court was unequivocal that the Federal Circuit's failure to apply a clear error standard of review was "wrong." *Id.* ("Our holding today makes clear that, in failing to do so, the Federal Circuit was wrong.").

Here, the Panel committed the very same outcome determinative error by making de novo factual findings regarding patent eligibility that directly contradict the District Court without ever determining that the District Court's findings were clearly erroneous. For example, the District Court concluded that the Asserted Claims include inventive concepts because they "modify the way the Internet functions to provide secure access over a protected computer resource" and "the problems addressed by Prism's claims are ones that 'arose uniquely in the context of the Internet, and the solution proposed was a specific method of solving that problem.'" Pet. App. 27 The Panel, however, rejected without explanation the District Court's findings and substituted its own view of the Asserted Claims to find that the Asserted Claims do not contain

an inventive concept. Pet. App. 6-8. The Panel also disregarded the District Court's finding that the Asserted Claims addresses a specific method for solving a problem that arose "uniquely in the context of the Internet," as well as the credit the District Court gave to Prism's expert, Dr. Lyon, who confirmed that the patents' "inventive use of identity [data] associated with the client computer to control access to resources over an untrusted network was an improvement over the current technology of that time." Pet. App. 27 (citation omitted). Instead, the Panel reached an independent conclusion, without granting any deference to the District Court's findings or citation to the record, that the Asserted Claims' use of identify data, such as hardware identifiers, was conventional in nature. Pet. App. 7. The Panel's factual determinations are irreconcilable with those of the District Court. Yet, the Panel rejected the District Court's findings without ever determining such findings were clearly erroneous. This is the exact circumstance this Court denounced in *Teva*.

Particularly troubling, the Panel did not identify any support in the record for its conclusion that the claims at issue use only conventional technology. This case illustrates the paramount need to ensure consistency among tribunals regarding findings of fact, and the dangers engendered by failing to do so. By applying a de novo standard of review, the Panel nullified the extensive efforts undertaken by the District Court without affording any deference whatsoever to the District Court's factual findings. In particular, the District Court presided over three trials in which Prism asserted claims of the '345 and '155 Patents (namely, the *AT&T* Action, the *Sprint* Action

and the *T-Mobile* Action), each of which lasted approximately two weeks. In connection with these cases, the District Court reviewed hundreds of pages of briefings, considered thousands of pages of exhibits, and received hours of trial testimony regarding the claims of the Asserted Patents. After considering this evidence, the District Court adjudicated the Asserted Claims as patent eligible under § 101, and made several subsidiary findings of fact to support its judgment. The Panel, however, rejected these factual findings outright and substituted its own view of the facts in a bald opinion without any evidentiary support.

As such, granting Prism's petition for certiorari is necessary to ensure that appellate courts afford deference to district court findings of fact and to guarantee consistency between tribunals.

CONCLUSION

For the foregoing reasons, the petition for writ of certiorari should be granted to resolve this important question of the standard of review for patent eligibility.

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Dated: November 9, 2017

APPENDIX

APPENDIX

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DOMINGUEZ, JOSH KREVITT; JORDAN BEKIER, BLAINE H. EVANSON, Los Angeles, CA.

Before PROST, *Chief Judge*, LOURIE and SCHALL,
Circuit Judges.

PROST, *Chief Judge*.

Prism Technologies LLC appeals from a final decision of the United States District Court for the District of Nebraska denying its motions for new trial and judgment as a matter of law. T-Mobile USA, Inc. cross-appeals the district court's final decision denying its motions for judgment as a matter of law. We affirm-in-part and reverse-in-part the district court's order as it relates to T-Mobile's issues on cross-appeal and dismiss Prism's appeal as moot.

I

These appeals involve U.S. Patent Nos. 8,127,345 and 8,387,155 (collectively, "patents-in-suit"). The '155 patent is a continuation of the '345 patent. Both patents relate generally to security systems for use with computer networks that provide a secure transaction system adapted for use with untrusted networks, such as the Internet. '345 patent col. 1 ll. 15–19. Claim 1 of the '345 patent is representative:¹

1. A method for controlling access, by at least one authentication server, to protected computer

¹ Prism does not dispute that claim 1 of the '345 patent is representative, at least for the purposes of its appeal. Appellant's Br. 15.

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resources provided via an Internet Protocol network, the method comprising:

receiving, at the at least one authentication server from at least one access server, identity data associated with at least one client computer device, the identity data forwarded to the at least one access server from the at least one client computer device with a request from the at least one client computer device for the protected computer resources;

authenticating, by the at least one authentication server, the identity data received from the at least one access server, the identity data being stored in the at least one authentication server;

authorizing, by the at least one authentication server, the at least one client computer device to receive at least a portion of the protected computer resources requested by the at least one client computer device, based on data associated with the requested protected computer resources stored in at least one database associated with the at least one authentication server; and

permitting access, by the at least one authentication server, to the at least the portion of the protected computer resources upon successfully authenticating the identity data and upon successfully authorizing the at least one client computer device.

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Id. at col. 34 ll. 17–42. The invention thus relates to systems and methods that control access to protected computer resources by authenticating identity data, i.e., unique identifying information of computer components. *Id.* at col. 1 l. 60–col. 2 l. 24; *see also id.* at col. 34 ll. 49–51 (claim 5) (reciting identity data of “hardware components”). If the authentication server successfully authenticates the client computer and determines that it is authorized, the system provides protected computer resources to that device over an untrusted network, such as the Internet. *Id.* at col. 3 ll. 47–64.

Prism sued T-Mobile for infringement of the patents-in-suit in the district court. After filing its answer and counterclaims, T-Mobile moved for summary judgment of patent ineligibility under 35 U.S.C. § 101, and Prism cross-moved for summary judgment of patent eligibility. The court granted Prism’s motion, denied T-Mobile’s, and the case proceeded to trial. Finding in T-Mobile’s favor, the jury rendered a verdict of non-infringement of all asserted claims. J.A. 50–52. Prism moved for a new trial, citing what it perceived as T-Mobile’s attempts to “confuse[] and misle[a]d the jury” by rearguing the court’s claim construction. J.A. 38746. Additionally, it filed a motion for judgment as a matter of law (“JMOL”) of infringement. T-Mobile similarly moved for JMOL on two motions, one seeking an exceptional-case finding under 35 U.S.C. § 285 and the other for patent ineligibility under 35 U.S.C. § 101. The court denied all post-verdict motions and these appeals followed. We have jurisdiction under 28 U.S.C. § 1295(a)(1).

II

On appeal, Prism asks the court to vacate the verdict and remand for a new trial on the issue of infringement. On cross-appeal, T-Mobile seeks a reversal of the district court’s finding of subject-matter eligibility under § 101 and its denial of T-Mobile’s request for an exceptional-case finding under § 285. We turn first to T-Mobile’s cross-appeal.

A

Patent eligibility under 35 U.S.C. § 101 is an issue of law reviewed de novo. *Accenture Glob. Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1340–41 (Fed. Cir. 2013). To determine patent eligibility, we apply a two-step process under *Alice Corp. Party v. CLS Bank International*, 134 S. Ct. 2347, 2355 (2014). See also *Affinity Labs of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016) (referring to step one as the “abstract idea” step and step two as the “inventive concept” step). We review denial of JMOL motions under regional circuit law—here, the Eighth Circuit. See *Revolution Eyewear, Inc. v. Aspex Eyewear, Inc.*, 563 F.3d 1358, 1370 (Fed. Cir. 2009). The Eighth Circuit reviews a district court’s denial of a motion for JMOL de novo. See *Walsh v. Nat’l Comput. Sys., Inc.*, 332 F.3d 1150, 1158 (8th Cir. 2003).

On cross-appeal, T-Mobile argues that the asserted claims recite ineligible subject matter because they: (1) are directed to the abstract idea of controlling access to resources; and (2) are non-inventive because they recite generic computer hardware running generic computer software that performs the abstract functions routine to the process of restricting access. We agree.

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Under step one, the district court properly concluded that the asserted claims are directed to the abstract idea of “providing restricted access to resources.” J.A. 32. Although Prism contends that these claims cover a concrete, specific solution to a real-world problem, it does not proffer a persuasive argument in support of this conclusion. As T-Mobile correctly observes, the asserted claims are directed to an abstract process that includes: (1) receiving identity data from a device with a request for access to resources; (2) confirming the authenticity of the identity data associated with that device; (3) determining whether the device identified is authorized to access the resources requested; and (4) if authorized, permitting access to the requested resources. *See* Cross-Appellant’s Principal & Resp. Br. 57–59 (“T-Mobile Response”) (providing various pre-computer-age corollaries for which humans similarly restrict and provide access to resources). The patents-in-suit thus are directed to the abstract idea of “providing restricted access to resources.” *See In re TLI Commc’ns LLC Patent Litig.*, 823 F.3d 607, 613 (Fed. Cir. 2016); *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1367 (Fed. Cir. 2015).

Turning to step two, the district court concluded that the asserted claims “include inventive concepts to ensure that [the] patents in practice are more than just patents on restricting access to resources” because they “modify the way the Internet functions to provide secure access over a protected computer resource.” J.A. 34. Here, the district court erred. The asserted claims merely recite a host of elements that are indisputably generic computer components. *See* ’345 patent col. 34 ll. 17–42 (claim 1) (requiring an “authentication server,”

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“access server,” “Internet Protocol network,” “client computer device,” and “database”). Shifting the focus away from these generic components, Prism points to the recited “identity data” (such as a hardware identifier), the inclusion of which, it contends, “represents a specific and novel solution to a real problem and provides real benefits.” Appellant’s Reply & Cross-Appeal Resp. Br. 24. According to Prism, by combining these components with hardware identity data, the asserted claims “yield[] a novel, effective solution to real-world problems, which industry came to adopt several years after Prism’s inventions.” *Id.* at 50. But this does not rise to the level of an inventive concept.

The patents-in-suit themselves demonstrate the conventional nature of these hardware identifiers. *See, e.g.,* ’345 patent col. 19 ll. 5–29 (citing third-party conventional identifiers). And there is no indication that their inclusion produces “a result that overrides the routine and conventional” use of this known feature. *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1258 (Fed. Cir. 2014). Viewed as an ordered combination, the asserted claims recite no more than the sort of “perfectly conventional” generic computer components employed in a customary manner that we have previously held insufficient to transform the abstract idea into a patent-eligible invention. *Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1321 (Fed. Cir. 2016). Because these claims fail step two as well, we conclude that they recite patent-

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ineligible subject matter under § 101.² Accordingly, we reverse the district court’s § 101 ruling.

B

Next, we turn to T-Mobile’s challenge regarding the court’s denial of an exceptional-case finding under 35 U.S.C. § 285. An exceptional case is “simply one that stands out from others with respect to the substantive strength of a party’s litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated.” *Octane Fitness, LLC v. Icon Health & Fitness, Inc.*, 134 S. Ct. 1749, 1756 (2014). District courts determine whether a case is exceptional on a case-by-case basis, considering the totality of the circumstances. *Id.* On appeal, we review for an abuse of discretion. *Highmark Inc. v. Allcare Health Mgmt. Sys., Inc.*, 134 S. Ct. 1744, 1747 (2014).

T-Mobile advances three grounds to support its theory that the district court erred: First, it argues that Prism’s case “was exceptionally weak” based on its infringement theory and assertion of claims that cover patent-ineligible subject matter under § 101, T-Mobile Response 67–69; second, that Prism deliberately elicited testimony to obscure the facts that demonstrate non-infringement, *id.* at 70–73; and third, that Prism presented an entirely new and unsupported infringement theory during closing argument, *id.* at 74–75. For these reasons, T-Mobile contends that the

² Having concluded that the asserted claims are ineligible under § 101, we dismiss Prism’s appeal as moot.

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district court abused its discretion by denying its motion. We disagree.

T-Mobile's decision to forego summary judgment of non-infringement belies its arguments regarding the purported weakness of Prism's infringement position. And its explanation that it elected "to build a trial record" instead does not provide a credible justification for this decision. Cross-Appellant's Reply Br. 18 n.3; *see also* Oral Arg. 27:55–28:05, <http://oralarguments.cafc.uscourts.gov/mp3/2016-2031.mp3> (observing that the judge would have denied its motion by indicating that factual disputes remain). Further, when previously asserting these patents, Prism prevailed twice against T-Mobile's competitors, withstanding non-infringement and validity defenses. This weighs in Prism's favor as well. Finally, although we reverse the district court's patent-eligibility determination here, that alone does not demonstrate that it abused its discretion when determining that T-Mobile was not entitled to a § 285 exceptional-case finding under these particular facts. We thus affirm the court's § 285 ruling.

CONCLUSION

We reverse the district court on § 101 patent eligibility, affirm its denial of an exceptional-case determination under § 285, and dismiss Prism's appeal as moot.

**AFFIRMED-IN PART, REVERSED-IN-PART,
AND DISMISSED-IN-PART**

COSTS

Costs to T-Mobile.

APPENDIX B

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEBRASKA**

8:12CV124

[Filed April 6, 2016]

PRISM TECHNOLOGIES, LLC,)
)
Plaintiff,)
)
v.)
)
T-MOBILE USA INC.,)
)
Defendant.)

MEMORANDUM OPINION

This matter is before the Court on both parties' post trial motions. The plaintiff moves for a new trial pursuant to Federal Rule of Civil Procedure 59 (Filing No. 609). Both parties renewed their earlier motions pursuant to Federal Rule of Civil Procedure 50(b) for judgment as a matter of law (Filing Nos. 614 and 634). In addition, the defendants moved for attorney fees (Filing No. 622). After reviewing the motions, briefs, indices of evidence, and applicable law, the Court finds as follows.

Background

Prism Technologies, LLC (“Prism”) filed suit against T-Mobile USA, Inc. (“T-Mobile”) on April 4, 2012, alleging patent infringement. Prism sought money damages from T-Mobile for allegedly infringing United States Patent No. 8,127,345 (“the ’345 Patent”) and United States Patent No. 8,387,155 (“the ’155 Patent”). The case went to trial on October 13, 2015. On October 30, 2015, the jury returned a verdict in favor of defendant T-Mobile on all infringement claims.

Standards of Review

I. Renewed Motions for Judgment as a Matter of Law

In patent cases, a motion for judgment as a matter of law pursuant to Rule 50(b) is reviewed under the law of the regional circuit. *Synthes USA, LLC v. Spinal Kinetics, Inc.*, 734 F.3d 1332, 1340 (Fed. Cir. 2013). When considering a motion for judgment as a matter of law, a court “must determine whether or not the evidence was sufficient to create an issue of fact for the jury.” *Lane v. Chowning*, 610 F.2d 1385, 1388 (8th Cir. 1979). The Court will grant a motion for judgment as a matter of law “when all the evidence points one way and is susceptible of no reasonable inferences sustaining the position of the nonmoving party.” *Ehrhardt v. Penn. Mut. Life Ins. Co.*, 21 F.3d 266, 269 (8th Cir. 1994). In considering the motion, the Court views the record in the light most favorable to the prevailing party. *Wash Solutions, Inc. v. PDQ Mfg., Inc.*, 395 F.3d 888, 892 (8th Cir. 2005). The Court must also assume that all conflicts in the evidence were resolved in favor of the prevailing party, and the Court

must assume as proved all facts that the prevailing party's evidence tended to prove. *E.E.O.C. v. Kohler Co.*, 335 F.3d 766, 772 (8th Cir. 2003). The motion should be denied unless the Court concludes that no reasonable juror could have returned a verdict for the nonmoving party. *Billingsley v. City of Omaha*, 277 F.3d 990, 995 (8th Cir. 2002).

II. Motion for New Trial

A motion for new trial is governed by Federal Rule of Civil Procedure 59. The standard for granting a new trial is whether the verdict is against “the great weight of the evidence.” *Butler v. French*, 83 F.3d 942, 944 (8th Cir. 1996). In evaluating a motion for a new trial pursuant to Rule 59(a), the “key question is whether a new trial should have been granted to avoid a miscarriage of justice.” *McKnight By & Through Ludwig Johnson Controls, Inc.*, 36 F.3d 1396, 1400 (8th Cir. 1994).

III. Attorney Fees Under 35 U.S.C. § 285

Under 35 U.S.C. § 285, courts in exceptional cases “may award reasonable attorney fees to the prevailing party.” The Supreme Court has stated that “an exceptional case” simply means a case “that stands out from others with respect to the substantive strength of a party's litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated.” *Octane Fitness, L.L.C. v. ICON Health & Fitness, Inc.*, 134 S. Ct. 1749, 1756 (2014). District courts have discretion in determining “whether a case is ‘exceptional’ in the case-by-case exercise . . . considering the totality of the circumstances.” *Id.* The

Supreme Court enumerated the following, non-exclusive factors courts could consider, including “frivolousness, motivation, objective unreasonableness (both in the factual and legal components of the case) and the need in particular circumstances to advance considerations of compensation and deterrence.” *Id.*, at 1756 n.6 (citing *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 534, 114 S. Ct. 1023, 127 L.Ed.2d 455 n.19 (1994)).

Discussion

I. Renewed Motions for Judgment as a Matter of Law

A. Prism’s Motion

Prism moves for judgment as a matter of law pursuant to Rule 50(b) stating that the jury verdict of non-infringement was not supported by substantial evidence. Prism claims that: (1) T-Mobile incorrectly argued that it does not have authentication servers that authenticate identity data associated with client computer devices and are independent of the access servers; (2) T-Mobile argued that it did not control and provide access to protected computer resources; (3) that the Accused Systems do not provide access to protected computer resources over an untrusted internet protocol network; and (4) that Prism demonstrated that all other elements of the Asserted Claims were satisfied. Reviewing the record in the light most favorable to the prevailing party, the Court finds that T-Mobile presented sufficient evidence at trial that a reasonable juror could find that T-Mobile did not infringe the asserted patents. As a result, the Court will deny Prism’s motion.

B. T-Mobile's Motion

T-Mobile moves for judgment as a matter of law pursuant to Rule 50(b) on four grounds: (1) the Asserted Claims are ineligible under 35 U.S.C. § 101; (2) the Asserted Claims are not novel under section 102(b) because the invention was offered for sale before the critical date; (3) the Asserted Claims are invalid under 35 U.S.C. § 112 because they do not adequately describe the full scope of the claims; and (4) the Asserted Claims are not entitled to the 1997 priority date, therefore making the Asserted Claims invalid. Prism opposes T-Mobile's motion claiming that T-Mobile has already raised and lost every argument brought in the Rule 50(b) motion, and that the jury had a legally sufficient evidentiary basis to find Prism's patents valid.

T-Mobile seeks judgment as a matter of law as to the validity of the Asserted Patents. The jury returned a verdict finding that T-Mobile did not infringe the Asserted Patents. The jury did not return a verdict on the issue of validity of the patents. The jury verdict form instructed the jury that if it found no infringement then it need not address the question of invalidity (*See* Filing No. 579).

The Court has already addressed some of T-Mobile's Rule 50(b) arguments in previous pre-trial orders. The Court denied T-Mobile's motion for summary judgment on patent ineligibility under 35 U.S.C. § 101 and granted Prism's partial summary judgment as to patent eligibility (*See* Filing No. 428). In addition, the Court found that the patents are entitled to the June 11, 1997, priority date (*See* Filing No. 465). No new

evidence was presented at trial to make the Court change its decision from the previous orders.

T-Mobile alleges that the Asserted Claims are invalid under 35 U.S.C. § 102(b)'s on-sale bar. "Section 102(b) of the Patent Act of 1952 provides that no person is entitled to patent an 'invention' that has been 'on sale' more than one year before filing a patent application." *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 58, 119 S. Ct. 304, 142 L.Ed.2d 261 (1998). An on-sale bar applies when two conditions have been met before the critical date: (1) the product was the subject of a commercial offer for sale; and (2) the invention was ready for patenting. *Id.* at 67.

Testimony came out at trial that Prism made a proposal in March of 1996 to a company called DTN to help fund the development of the invention (*See* Filing No. 592, Trial Tr. at 188:4-19). T-Mobile alleges that the product was subject of a commercial offer for sale and that the invention was ready for patenting in February of 1996. Prism contends that Prism was not offering to sell technology to DTN in March, but rather to work to develop technology. In addition, Prism states that T-Mobile did not carry its burden by clear and convincing evidence that the invention was ready for patenting prior to June 11, 1996. After reviewing the applicable law, the trial transcripts, and the evidence presented, the Court finds that a reasonable juror could have found that one, or both, of the conditions applicable to an on-sale bar may not have been met before the critical date. Therefore, the Court will deny T-Mobile's claim for on-sale bar pursuant to 35 U.S.C. § 102(b).

Finally, T-Mobile seeks a judgment on invalidity of the Asserted Patents based on written description. Under 35 U.S.C. § 112, “[t]he specification shall contain a written description of the invention.” To satisfy the written description requirement a patent “must describe the manner and process of making and using the invention so as to enable a person of skill in the art to make and use the full scope of the invention without undue experimentation” and the patent “must describe the invention sufficiently to convey to a person of skill in the art that the patentee has possession of the claimed invention at the time of the application, i.e., that the patentee invented what is claimed.” *LizardTech, Inc. v. Earth Resource Mapping, Inc.*, 424 F.3d 1336, 1344-45 (Fed. Cir. 2005). Viewing the evidence presented at trial, a reasonable juror could have found that the Asserted Patents did contain an adequate written description under § 112. Therefore, the Court will deny T-Mobile’s renewed motion for judgment as a matter of law.

II. Motion for New Trial

Prism contends that a new trial is proper because T-Mobile confused and misled the jury by arguing that the asserted claims cannot cover cellular networks because the word “cellular” does not appear in the asserted patents. In addition, Prism claims that T-Mobile misled the jury by relying on improper alternative expert opinions. T-Mobile argues that their non-infringement defense was based on Prism’s failure to meet its burden of proof that the accused networks practiced each limitation of the asserted claims, and not that the word “cellular” did not appear in the asserted patents. T-Mobile claims that its expert, Mr.

Proctor, did not offer improper opinions. Therefore, Prism's motion for new trial should be denied.

After reviewing the facts, evidence, and the relevant law, the Court cannot say that the jury's verdict was against the great weight of the evidence. Therefore, the Court will deny Prism's motion for new trial.

III. Attorney Fees

T-Mobile seeks attorney fees pursuant to 35 U.S.C. § 285. T-Mobile, as the prevailing party, holds the burden to establish the trial was exceptional. T-Mobile argues that Prism's case against T-Mobile was meritless and the manner in which Prism litigated the case was "exceptional" for purposes of § 285. After reviewing the applicable legal standards, and the briefs, the Court finds that this case was not exceptional. Therefore, the Court will deny T-Mobile's motion for attorney fees. A separate order will be entered in accordance with this memorandum opinion.

DATED this 6th day of April, 2016.

BY THE COURT:

/s/ Lyle E. Strom

LYLE E. STROM, Senior Judge
United States District Court

App. 18

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEBRASKA**

8:12CV124

[Filed April 6, 2016]

PRISM TECHNOLOGIES, LLC,)
)
Plaintiff,)
)
v.)
)
T-MOBILE USA INC.,)
)
Defendant.)
)

ORDER AND JUDGMENT

Pursuant to the memorandum opinion entered herein this date,

IT IS ORDERED:

- 1) Prism's renewed motion for judgment as a matter of law (Filing No. 634) is denied.
- 2) T-Mobile's renewed motion for judgment as a matter of law (Filing No. 614) is denied.
- 3) Prism's motion for new trial (Filing No. 609) is denied.
- 4) T-Mobile's motion for attorney fees (Filing No. 622) is denied.

App. 19

DATED this 6th day of April, 2016.

BY THE COURT:

/s/ Lyle E. Strom

LYLE E. STROM, Senior Judge
United States District Court

APPENDIX C

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEBRASKA**

8:12CV124

[Filed January 7, 2016]

PRISM TECHNOLOGIES, LLC,)
)
Plaintiff,)
)
v.)
)
T-MOBILE USA, INC.,)
)
Defendant.)

MEMORANDUM AND ORDER

This matter is before the Court on cross motions for judgment as a matter of law under Federal Rule of Civil Procedure 50(a) (Filing No. 514, Filing No. 546, and Filing No. 563). Both parties submitted their Rule 50(a) motions electronically before the case was given to the jury. On October 30, 2015, the jury returned a verdict in favor of defendant, T-Mobile USA, Inc. (Filing No. 579).

Under Federal Rule of Civil Procedure 50(a), judgment as a matter of law is appropriate, “[i]f a party has been fully heard on an issue during a jury trial and the court finds that a reasonable jury would not have

a legally sufficient evidentiary basis to find for the party on that issue.” *Warren v. State Farm Fire & Cas. Co.*, 531 F.3d 693, 698 (8th Cir. 2008) (citing Fed. R.Civ. P. 50(a)(1)). “Once the Court submits the matter to the jury, the 50(a) motion has effectively been moot” *Rose v. Barrett Twp.*, No. 3:09-CV-01561, 2014 WL 2039621, at *6 (M.D. Pa. May 9, 2014). In this case, both parties’ Rule 50(a) motions became moot once the jury returned a verdict. As a result, the Court will deny the all motions for judgment as a matter of law under Rule 50(a) as moot. Accordingly,

IT IS ORDERED that all motions (Filing Nos. 514, 546, and 563) for judgment as a matter of law under Federal Rule of Civil Procedure 50(a) are denied as moot.

DATED this 7th day of January, 2016.

BY THE COURT:

/s/ Lyle E. Strom

LYLE E. STROM, Senior Judge
United States District Court

APPENDIX D

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEBRASKA**

8:12CV124

[Filed September 22, 2015]

PRISM TECHNOLOGIES, LLC,)
)
Plaintiff,)
)
v.)
)
T-MOBILE USA, INC.,)
)
Defendant.)

MEMORANDUM AND ORDER

This matter is before the Court on cross-motions for summary judgment (Filing No. 309 and Filing No. 339) filed pursuant to Federal Rule of Civil Procedure 56. After review of the motions, briefs, submitted evidence, and relevant law, the Court finds as follows.

Background

Plaintiff Prism Technologies, LLC, (“Prism”) accuses T-Mobile USA, Inc., (“T-Mobile”) and the other carrier defendants of infringing upon its patents, 8,127,345 (“the ’345 Patent”) and 8,387,155 (“the ’155 Patent”). T-Mobile moves this Court for summary judgment of

patent ineligibility for the '345 and '155 patents under 35 U.S.C. § 101. In addition, Prism moves this Court for summary judgment of patent eligibility for the same patents.

Law

Summary judgment is appropriate when, viewing the facts and inferences in the light most favorable to the nonmoving party, “there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a); *see Celotex Corp. v. Catrett*, 477 U.S. 317, 321–23 (1986). “The inquiry performed is the threshold inquiry of determining whether there is the need for a trial -- whether, in other words, there are any genuine factual issues that properly can be resolved only by a finder of fact because they may reasonably be resolved in favor of either party.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 250 (1986).

The issue of patent-eligibility under 35 U.S.C. § 101 presents a question of law. *Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1340-41 (Fed.Cir.2013). Under § 101, “[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.” There are three exceptions to § 101’s patent eligibility principles, “laws of nature, physical phenomena, and abstract ideas.” *Diamond v. Chakrabarty*, 447 U.S. 303, 309, 100 S.Ct. 2204, 65 L.Ed.2d 144 (1980).

In *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, the Supreme Court established a two-step test to distinguish patents that claim patent-ineligible laws of nature, physical phenomena, and abstract ideas from patent-eligible application of those concepts. ---U.S.---, 132 S.Ct. 1289, 182 L.Ed.2d 321 (2012). First, the court must determine if the claims at issue are directed at a patent-ineligible concept. See *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, ---U.S.---, 134 S.Ct. 2347, 189 L.Ed.2d 296 (2014). “Phenomena of nature, though just discovered, mental processes, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work.” *Gottschalk v. Benson*, 409 U.S. 63, 67, 93 S.Ct. 253, 34 L.Ed.2d 273 (1972). If the claims are directed at a patent-ineligible concept, the court must look for an “‘inventive concept’ -- i.e., an element of combination of elements that is sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.” *Alice*, 134 S.Ct. at 2355.

Analysis

T-Mobile alleges that the claims of the '345 and '155 patents are directed to an abstract idea, and do not contain an inventive concept. As a result, Prim's patents are ineligible under 35 U.S.C. § 101 and the analytical framework set forth in *Mayo* and *Alice*. In addition, T-Mobile alleges that the dependant claims also fail to satisfy the subject matter eligibility standard. Prism argues that T-Mobile mischaracterizes Prism's claims as ineligible. Prism alleges that the claims of the '345 and '155 patents are patent eligible.

Claim 1 of the '345 patent includes a method claim, and Claim 1 of the '155 patent includes a system claim.

The parties pointed to the above mentioned claims in their briefs to illustrate their arguments. The Court agrees that Claim 1 of the '345 and Claim 1 of the '155 are representative of the asserted method and system claims for the purposes of the § 101 analysis.

I. Step One of the *Mayo* Test

Under step one of the *Mayo* test, the Court must determine whether the Prism's patent claims are directed to an abstract idea. "The 'abstract ideas' category embodies 'the longstanding rule that an idea of itself is not patentable.'" *Alice*, 134 S.Ct. at 2355 (quoting *Gottschalk v. Benson*, 409 U.S. 63, 67, 93 S.Ct. 253, 34 L.Ed.2d 273 (1972)).

The defendant argues that the asserted claims of the '345 and '155 patents are directed to the abstract idea of providing restricted access to resources. The defendant allege that providing restricted access to resources is an age-old practice in modern society. Furthermore, T-Mobile argues that he addition of generic computer implementation does not turn an abstract idea, such as provided restricted access, into a patent eligible invention.

The plaintiff responds that the defendants mischaracterize Prism's claims as broadly preempting the idea of restricting access to resources. Prism argues that the asserted claims are directed to a concrete, non-abstract idea. Therefore, the asserted claims are not directed to a patent ineligible concept.

The Court finds that the claims are directed toward an abstract idea. By examining the words of the claims, it is apparent that the claims are directed to a providing restricted access to resources. In *Jericho*

Systems Corp. v. Axiomatics, Inc., the district court found that a claim involving a user entering a request for access was an abstract idea. 2015 WL 2165931 (N.D. Tex. May 7, 2015). The court stated, “The abstract idea being that people who meet certain requirements are allowed to do certain things.” *Id.* at *4. The underlying ideas behind Prism’s claims are similar to abstract idea discussed in *Jericho*. Under step one of the *Mayo* test, the asserted claims of the ’345 and ’155 patents are directed toward an abstract idea.

II. Step Two of the *Mayo* Test

Under step two of the *Mayo* test, the claims of the asserted patents may still be patent eligible if they include an “inventive concept” sufficient to “ensure that the patent in practice amounts to significantly more” than a patent upon an abstract idea. *Alice*, 134 S.Ct. at 2355. There is no “inventive concept” if a claim recites an abstract idea implemented using generic technology to perform “well-understood, routine, and conventional activities previously known to the industry.” *Id.* at 2359 (citing *Mayo*, 132 S.Ct. at 1294). Claims that “broadly and generically claim ‘use of the Internet’ to perform an abstract business practice” do not satisfy the requirement of an “inventive concept.” *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1258 (Fed.Cir.2014).

T-Mobile alleges that Prism’s asserted claims fail to reveal an inventive concept and, therefore, do not satisfy step two of the *Mayo* test. The defendant argues that the claims do not require anything more than generic computer implementation. Prism argues that the asserted claims include concrete limitations and

are directed to an inventive concept. During the mid-1990s, the patents addressed an inventive concept that solved the problem of delivering resources over an untrusted network. In addition, Prism presents evidence from its expert, Dr. Lyon, that the patents' inventive use of identity associated with the client computer to control access to resources over an untrusted network was an improvement over the current technology of that time (Filing No. 340, Exhibit 5).

After reviewing the claims, evidence, and various arguments, the Court finds that asserted claims do include inventive concepts to ensure that patents in practice are more than just patents on restricting access to resources. Prism's patents involve the implementation of the Internet. However, the patents in application do more than "broadly and generically claim 'use of the Internet' to perform an abstract business practice." *DDR Holdings*, 773 F.3d at 1258. The claims modify the way the Internet functions to provide secure access over a protected computer resource. The problems addressed by Prism's claims are ones that "arose uniquely in the context of the Internet, and the solution proposed was a specific method of solving that problem." *Id.* at 1257. As a result, the claims of the '345 and the '155 patents are patent eligible under the *Mayo* and *Alice* analytical framework.

III. Dependant Claims

T-Mobile also alleges that the various dependant claims fail to add any inventive step to the generic computer implementation of restricted access. The defendant argues that there is not nothing new or

inventive about the dependant claims. Prism argues that the dependant claims include limitations and important inventive benefits.

The Court finds that the dependant claims also include inventive concepts under the *Mayo* step two analysis. The dependant claims are patent eligible. Accordingly,

IT IS ORDERED:

- 1) Defendant's motion for summary judgment (Filing No. 309) of patent ineligibility is denied.
- 2) Plaintiff's motion for summary judgment (Filing No. 339) of patent eligibility is granted.
- 3) Request for oral argument is denied as moot.

DATED this 22nd day of September, 2015.

BY THE COURT:

/s/ Lyle E. Strom

LYLE E. STROM, Senior Judge
United States District Court

APPENDIX E

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEBRASKA**

8:12CV124

[Filed October 30, 2015]

PRISM TECHNOLOGIES LLC,)
)
 Plaintiff,)
)
 v.)
)
 T-MOBILE USA, INC.,)
)
 Defendant.)

VERDICT FORM

**A. Prism Technologies LLC's ("Prism's")
Infringement Claims Against T-Mobile USA, Inc.,
("T-Mobile").**

Question 1: Did Prism prove by a greater weight of the evidence that T-Mobile infringes any of the following claims of the asserted patents through its 4G LTE cellular network?

A "yes" is a finding for Prism; a "no" is a finding for T-Mobile.

U.S. Patent No. 8,127,345

Claim 1: YES _____ NO X

Claim 77: YES _____ NO X

Claim 87: YES _____ NO X

U.S. Patent No. 8,387,155

Claim 11: YES _____ NO X

Claim 37: YES _____ NO X

Claim 56: YES _____ NO X

Question 2: Did Prism prove by a greater weight of the evidence that T-Mobile infringes any of the following claims of the asserted patents through its 3G cellular network?

A “yes” is a finding for Prism; a “no” is a finding for T-Mobile.

U.S. Patent No. 8,127,345

Claim 1: YES _____ NO X

Claim 77: YES _____ NO X

Claim 87: YES _____ NO X

U.S. Patent No. 8,387,155

Claim 11: YES _____ NO X

Claim 37: YES _____ NO X

Claim 56: YES _____ NO X

Question 3: Did Prism prove by a greater weight of the evidence that T-Mobile infringes any of the following claims of the asserted patents through its Roaming networks?

A “yes” is a finding for Prism; a “no” is a finding for T-Mobile.

U.S. Patent No. 8,127,345

Claim 1: YES _____ NO X

Claim 77: YES _____ NO X

Claim 87: YES _____ NO X

U.S. Patent No. 8,387,155

Claim 11: YES _____ NO X

Claim 37: YES _____ NO X

Claim 56: YES _____ NO X

Question 4: Did Prism prove by a greater weight of the evidence that T-Mobile infringes any of the following claims of the asserted patents through its IMS Wi-Fi calling network?

A “yes” is a finding for Prism; a “no” is a finding for T-Mobile.

U.S. Patent No. 8,127,345

Claim 1: YES _____ NO X

Claim 77: YES _____ NO X

Claim 87: YES _____ NO X

U.S. Patent No. 8,387,155

Claim 11: YES _____ NO X

Claim 37: YES _____ NO X

Claim 56: YES _____ NO X

Question 5: Did Prism prove by a greater weight of the evidence that T-Mobile infringes any of the following claims of the asserted patents through its UMA Wi-Fi calling network?

A “yes” is a finding for Prism; a “no” is a finding for T-Mobile.

U.S. Patent No. 8,127,345

Claim 1: YES _____ NO X

Claim 77: YES _____ NO X

Claim 87: YES _____ NO X

U.S. Patent No. 8,387,155

Claim 11: YES _____ NO X

Claim 37: YES _____ NO X

Claim 56: YES _____ NO X

If you have answered “NO” to all the claims in questions 1, 2, 3, 4, and 5 then you have concluded your deliberations and your foreperson should sign and date the verdict form, and return the verdict to the Court. If you have answered “YES” to any claims, continue to Part B below.

B. T-Mobile's Invalidity Defenses Against U.S. Patent Nos. 8,127,345 and 8,387,155.

Question 6: Did T-Mobile prove by clear and convincing evidence that any of the following claims of the asserted patents are invalid because they are anticipated by prior art? **A "yes" is a finding for T-Mobile; a "no" is a finding for Prism.**

U.S. Patent No. 8,127,345

Claim 1: YES _____ NO _____

Claim 77: YES _____ NO _____

Claim 87: YES _____ NO _____

U.S. Patent No. 8,387,155

Claim 11: YES _____ NO _____

Claim 37: YES _____ NO _____

Claim 56: YES _____ NO _____

Question 7: Did T-Mobile prove by clear and convincing evidence that any of the following claims of the asserted patents are invalid because the prior art makes them obvious? **A "yes" is a finding for T-Mobile; a "no" is a finding for Prism.**

U.S. Patent No. 8,127,345

Claim 1: YES _____ NO _____

Claim 77: YES _____ NO _____

Claim 87: YES _____ NO _____

U.S. Patent No. 8,387,155

Claim 11: YES ____ NO ____

Claim 37: YES ____ NO ____

Claim 56: YES ____ NO ____

Question 8: Did T-Mobile prove by clear and convincing evidence that any of the following claims of the asserted patents are invalid due to lack of adequate written description? A “yes” is a finding for T-Mobile; a “no” is a finding for Prism.

U.S. Patent No. 8,127,345

Claim 1: YES ____ NO ____

Claim 77: YES ____ NO ____

Claim 87: YES ____ NO ____

U.S. Patent No. 8,387,155

Claim 11: YES ____ NO ____

Claim 37: YES ____ NO ____

Claim 56: YES ____ NO ____

Proceed to Part C below if you have found one or more of the asserted claims to be infringed (Questions Nos. 1-5) AND that the claim or claims are not invalid (Questions Nos. 6-8). Otherwise, skip part C, sign and date the verdict form, and return the verdict to the Court.

C. Damages for the Infringement of Prism's Valid Patent Claims

What sum of money, if any, do you find that Prism has proven by a greater weight of the evidence is adequate to compensate Prism for T-Mobile's infringement of U.S. Patent No.8,127,345 and/or U.S. Patent No. 8,387,155?

\$ _____

DATED this30th day of October, 2015.

s/ _____
FOREPERSON

APPENDIX F

NOTE: This disposition is nonprecedential.

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

2016-2031, 2016-2049

[Filed August 17, 2017]

PRISM TECHNOLOGIES LLC,)
Plaintiff-Appellant)
)
v.)
)
T-MOBILE USA, INC.,)
Defendant-Cross-Appellant)

)

Appeals from the United States District Court for the District of Nebraska in No. 8:12-cv-00124-LES-TDT, Senior Judge Lyle E. Strom.

**ON PETITION FOR PANEL REHEARING AND
REHEARING EN BANC**

Before PROST, *Chief Judge*, NEWMAN, LOURIE, SCHALL*, DYK, MOORE, O'MALLEY, REYNA, WALLACH, TARANTO, CHEN, HUGHES, and STOLL, *Circuit Judges*.

* Circuit Judge Schall participated only in the decision on the petition for panel rehearing.

PER CURIAM.

O R D E R

Appellant Prism Technologies LLC filed a combined petition for panel rehearing and rehearing en banc. The petition was referred to the panel that heard the appeal, and thereafter the petition for rehearing en banc was referred to the circuit judges who are in regular active service.

Upon consideration thereof,

IT IS ORDERED THAT:

The petition for panel rehearing is denied.

The petition for rehearing en banc is denied.

The mandate of the court will issue on August 24, 2017.

FOR THE COURT

August 17, 2017
Date

/s/ Peter R. Marksteiner
Peter R. Marksteiner
Clerk of Court

APPENDIX G

NOTE: This disposition is nonprecedential.

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

2016-2031, 2016-2049

[Filed August 24, 2017]

<hr/> PRISM TECHNOLOGIES LLC,)
<i>Plaintiff-Appellant</i>)
)
v.)
)
T-MOBILE USA, INC.,)
<i>Defendant-Cross-Appellant</i>)
<hr/>)

Appeals from the United States District Court for the District of Nebraska in No. 8:12-cv-00124-LES-TDT, Senior Judge Lyle E. Strom.

ON MOTION

PER CURIAM.

O R D E R

Appellant Prism Technologies, LLC moves for an order staying issuance of the mandate in this appeal pending the filing and disposition of its petition to the United States Supreme Court for a writ of certiorari.

App. 40

Upon consideration thereof,

IT IS ORDERED THAT:

The motion is denied.

August 24, 2017
Date

FOR THE COURT

/s/ Peter R. Marksteiner
Peter R. Marksteiner
Clerk of Court