UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

Case No. 1:16-cv-21761-KMM

PRISUA ENGINEERING CORP.,

Plaintiff,

v.

SAMSUNG ELECTRONICS CO., LTD. et al,

Defendants.

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ORDER DENYING MOTION TO DISMISS

THIS CAUSE came before the Court upon Defendants' Motion to Dismiss (ECF No. 22). Plaintiff responded (ECF No. 28) and Defendants replied (ECF No. 30). This Motion is now ripe for review. UPON CONSIDERATION of the Motion, the pertinent portions of the record, and being otherwise fully advised in the premises, the Court denies Defendants' Motion to Dismiss.

I. BACKGROUND

On May 17, 2016, Prisua Engineering Corp. ("Prisua"), a corporation organized in Florida with a principal place of business in Coral Gables, Florida, filed a Complaint (ECF No. 1) for patent infringement against Samsung Electronics Co., Ltd. ("Samsung Korea"), Samsung Electronics America, Inc. ("Samsung America"), and Samsung Electronics Latinoamerica Miami ("Samsung Miami") (collectively, "Samsung"), pursuant to Title 35 of the United States Code, Section 271. *See* Pl.'s Compl. ¶¶ 1–5.

Prisua owns United States Patent No. 8,650,591 (the "'591 Patent"), entitled "Video Enabled Digital Devices for Embedding User Data in Interactive Applications." *Id.* ¶ 9. The '591 Patent was filed by the inventor, Dr. Yolanda Prieto, an officer and director of Prisua, on March 8, 2011, and issued by the U.S. Patent Office on February 11, 2014. *Id.* ¶¶ 10–11. Claim 1 of the '591 Patent states in relevant part:

> An interactive media apparatus for generating a displayable edited video data stream from an original video data stream, wherein at least one pixel in a frame of said original video data stream is digitally extracted to form a first image, said first image then replaced by a second image resulting from a digital extraction of at least one pixel in a frame of a user input video data stream, said apparatus comprising:
>
> an image capture device capturing the user input video data stream;
>
> an image display device displaying the original video stream;
>
> a data entry device, operably coupled with the image capture device and the image display device, operated by a user to select the at least one pixel in the frame of the user input video data stream to use as the second image, and further operated by the user to select the at least one pixel to use as the first image;
>
> wherein said data entry device is selected from a group of devices consisting of: a keyboard, a display, a wireless communication capability device, and an external memory device;
>
> a digital processing unit operably coupled with the data entry device, said digital processing unit performing:
>
> > identifying the selected at least one pixel in the frame of the user input video data stream;
> >
> > extracting the identified at least one pixel as the second image;
> >
> > storing the second image in a memory device operably coupled with the interactive media apparatus;
> >
> > receiving a selection of the first image from the original video data stream;
> >
> > extracting the first image;

> spatially matching an area of the second image to an area of the first image in the original video data stream, wherein spatially matching the areas results in equal spatial lengths and widths between said two spatially matched areas; and
>
> performing a substitution of the spatially matched first image with the spatially matched second image to generate the displayable edited video data stream from the original video data stream.

Prisua alleges that Samsung manufactures and sells mobile phones, tablets, and cameras that have a camera functionality that violates the '591 Patent. *Id.* ¶ 14. Prisua alleges that these infringing products include, but are not limited to: Galaxy S4, S4 mini, S5, SIII, and Samsung Mega products, the Samsung Galaxy Note 10.1, Galaxy Note Pro, and Galaxy Tab Pro tablets, and NX300M, NX2000, WB800F, WB350 and WB250 cameras. *Id.*

Prisua alleges that these products include "an image capture device in the form of a front and back digital camera, a display device in the form of an LCD screen, and a data entry device in the form of a touchscreen keyboard." *Id.* ¶ 15. The products also include a digital processing unit. Samsung's products have a "Best Face" application that uses the product's image capture device to capture images. Users of the product are then able to select a portion of the captured images along with a portion of the original video data stream. The product's digital processing unit then uses its memory and processing components to "spatially match[] the second image (from the user input video data stream) to the first image (from the original video stream)." *Id.* This process substitutes the first image with the second image—i.e., the "user-selected 'Best Face.'" *Id.* Prisua alleges that the above violates Prisua's '591 Patent.

On August 29, 2014, Prisua sent Samsung America a letter including a detailed claim chart alleging Samsung's patent infringement. *Id.* ¶ 16. This letter prompted discussions between Prisua and Samsung Korea; Prisua proposed a license agreement, which Samsung rejected. *Id.* ¶ 18.

In its Complaint, Prisua alleges Direct Infringement of the ‘591 Patent against the three Defendants. *Id.* Counts 1–3. For relief, Prisua requests that the Court: (1) find Samsung liable for infringement of the ‘591 Patent; (2) enjoin and restrain Samsung from importing, selling, and/or offering to sell any products that infringe the ‘591 Patent; (3) award Prisua damages and treble such amount pursuant to 35 U.S.C. § 284; (4) find this case exceptional under 35 U.S.C. § 285 and therefore award Prisua reasonable attorneys’ fees and expenses, taxable costs and disbursements, and prejudgment and post-judgment interest; and (5) award Prisua such other and further relief as the Court deems just and proper.

Samsung has filed a Motion to Dismiss pursuant to Federal Rule of Civil Procedure 12(b)(6) on the basis that Prisua’s Complaint fails to state a claim upon which relief can be granted, and requests that the Court dismiss Prisua’s Complaint with prejudice. In the Motion, Samsung invokes the Supreme Court’s decision in *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347 (2014), which held that laws of nature, natural phenomena, and abstract ideas are not patentable under 35 U.S.C. § 101 and set out a two-part test for patent-eligibility. *See* Def.’s Motion at 1 (ECF No. 22). Samsung argues that the “Best Face” application at issue in this litigation is a “textbook example of a patent-ineligible concept” under *Alice*’s two-step framework. *Id.* According to Samsung, Claim 1 of the ‘591 Patent in fact covers a non-patentable claim because the “Best Face” application is merely the cutting-and-pasting of portions of images, a “well-known human activity.” *Id.* Samsung further asserts that the “Best Face” application lacks the necessary “inventive step” to elevate this alleged abstract idea to patentable technology.

II. STANDARD OF REVIEW

“When reviewing a motion to dismiss, a court must construe the complaint in the light most favorable to the plaintiff and take the factual allegations therein as true.” *Recreational*

Design & Const., Inc. v. Wiss, Janney, Elstner Associates, Inc., 820 F. Supp. 2d 1293, 1296 (S.D. Fla. 2011). "To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted as true, to state a claim to relief that is plausible on its face." *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (citations omitted). This standard "demands more than an unadorned, the defendant-unlawfully-harmed-me accusation." *Id.* (citations omitted). This Court must look to the standards set out by the substantive law at issue. "[A] court may grant a motion to dismiss when, 'on the basis of a dispositive issue of law, no construction of the factual allegations will support the cause of action.'" *Pafumi v. Davidson*, No. 05-CV-61679, 2007 WL 1729969, at *2 (S.D. Fla. June 14, 2007) (citing *Marshall Cty. Bd. of Educ. v. Marshall Cty. Gas Dist.*, 992 F.2d 1171, 1174 (11th Cir. 1993)).

Furthermore, courts have held the issue of patent ineligibility to be an appropriate consideration at the pleading stage. *See, e.g., Aatrix Software, Inc. v. Green Shades Software, Inc.*, No. 3:15-cv-00164-HES-MCR, Dkt. 59 at 13–14 (M.D. Fla. July 15, 2015) (finding that the "issue of patentable subject matter is purely an issue of law and it is proper for the Court to make a determination as to patent eligibility . . . under Section 101 at the pleading stage"); *see also Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1374 (Fed. Cir. 2016). Although it is "rare that a patent infringement suit can be dismissed at the pleading stage for lack of patentable subject matter," dismissal is appropriate where "the *only* plausible reading of the patent [is] that there is clear and convincing evidence of ineligibility." *See UbiComm, LLC v. Zappos IP, Inc.*, 2013 WL 6019203, at *6 (D. Del. Nov. 13, 2013) (quoting *Ultramercial, Inc. v. Hulu, LLC*, 722 F.3d 1335, 1338–9 (Fed. Cir. 2013)) (internal quotation marks omitted). In making its determination on patent-eligibility, a court must look at all of the claims of the patent as a whole. *See Diamond v. Deihr*, 450 U.S. 175, 188 (1981).

III. ANALYSIS

Section 101 of the Patent Act provides that "[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." 35 U.S.C. § 101. The Supreme Court has long held that nature, natural phenomena, and abstract ideas are three exceptions to this provision. *See Alice*, 134 S. Ct. at 2354 (citing *Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013)).

In *Alice*, the Supreme Court established a two-part test for courts to determine whether a patent claim is patent ineligible. First, a court must determine whether the claim at issue falls into one of the three categories of nature, natural phenomena, or an abstract idea. *Id.* at 2355. If the claim does not fall into one of these categories, the claim is patent eligible under § 101. A patent does not fall into one of these categories simply because the claim involves one of the patent-ineligible concepts. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016). The question is whether the claim is "directed to" one of the categories, an inquiry that considers whether "their character as a whole is directed to excluded subject matter." *Id.* (internal quotation marks omitted).

The Court in *Alice* did not precisely establish the parameters for determining whether a patent claim relates to an abstract idea. *See DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1256 (Fed. Cir. 2014). However, *Alice* suggests a "fundamental economic practice long prevalent in our system of commerce," a "longstanding commercial practice," or "a method of organizing human activity" as examples. 134 S. Ct. at 2355–56 (citing *Bilski v. Kappos*, 561 U.S. 593, 611, 619 (2010)). Furthermore, mathematical algorithms, such as those executed by a general computer, are abstract ideas. *DDR Holdings*, 773 F.3d at 1256.

If a claim *is* directed to an abstract idea, the court must consider the second issue: whether the claim includes an "'inventive concept' sufficient to transform" the claim. *Alice*, 134 S. Ct. at 2357. Therefore, an abstract idea is only patentable if it also includes an inventive step. The Court in *Alice* held that the mere use of a general purpose computer was not sufficient to transform an abstract idea into a patent-eligible claim, as "wholly generic computer implementation is not generally the sort of 'additional feature[e]' that provides any sort of 'practical assurance that the process is more than a drafting effort designed to monopolize the [abstract idea] itself.'" *Id.* at 2358 (quoting *Mayo Collaborative Servs. v. Prometheus Laboratories, Inc.*, 132 S. Ct. 1289, 1297 (2012)). However, the Court noted that an invention that purportedly improved upon the functioning of the computer was sufficient. *Id.* at 2359.

Samsung argues that the "Best Face" technology is directed to an abstract idea—specifically, the abstract idea of copying-and-pasting images. *See* Def.'s Motion at 12. In support, Samsung asserts that Prisua's "Best Face" technology is a process that can be performed by humans alone because cutting-and-pasting images is "a conventional human activity that has long been performed in arts-and-crafts activities, for example, in creating such things as pictorial collages." *See* Def.'s Motion at 13–14 (citing *Mortgage Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1324 (Fed. Cir. 2014)).

Samsung also argues that the "Best Face" technology is an abstract idea because it is a simple mathematical application. Samsung cites to a case in the Central District of California, *Coffelt v. NVIDIA Corp.,* which in applying *Alice* invalidated a patent at the pleading stage where it digitally "calculate[ed] color information for vectors in a digital image." *Id.* at 14 (citing *Coffelt v. NVIDIA Corp., et al*, No. 5-16-cv-00457-SJO, Dkt. 34 (C.D. Cal. June 21, 2016)). There, the court found that the patent's "methods of calculating a *region* of space and *comparing*

various calculations to choose a pixel color" was directed to an abstract, mathematical algorithm. *Coffelt*, Dkt. 34 at 9. Samsung also argues that Prisua's claim relates to a "generic computer performing a generic function" akin to the patent recently held ineligible in *Intellectual Ventures v. Symantec Corp.*, Case No. 2015-1769 (Fed. Cir., Sept. 30, 2016).

In response, Prisua counters that the '591 Patent is not comparable to the patent in *Coffelt* because the latter invention was a mathematical algorithm executed on a generic computer, whereas the '591 Patent is not. *See* Pl.'s Resp. at 12. Prisua notes that Claim 1 of the *Coffelt* patent recites: "A method for deriving a pixel color comprising of steps of: a *computer calculating* a first position vector for a geometric graphic object . . ." (emphasis added). *Id.* The '591 Patent does not merely state that the invention is a computer conducting a calculation; rather, the '591 Patent's Claim 1 details an image processing apparatus that consists an "image capture device," an "image display device," and a "data entry device" that is operated by the user through a keyboard, display, wireless communication capability device, and an external memory device. Prisua argues that Claim 1 clearly does not describe a general computer calculating a mathematical algorithm and therefore, the claim is not an abstract idea.

The Court agrees with Prisua. Samsung seeks to oversimplify the '591 Patent in arguing that the "Best Face" invention uses a generic computer function to perform an action that could be performed by a human by cutting-and-pasting. The Court declines to equate the "Best Face" technology with "arts and craft classes" or making collages. This case is unlike *Mortgage Grader*, where the court held that a computer-implemented system that enabled borrowers to anonymously shop online for loan packages included steps that all could have been performed without the aid of a computer. 811 F.3d at 1324. Furthermore, the "Best Face" technology is

distinguishable from *Coffelt* or *Intellectual Ventures* in that the ‘591 Patent describes more than just a “generic computer performing a generic function.”

To grant Samsung’s Motion to Dismiss on the basis of patent-ineligibility would run contrary to the warnings in *Alice* and *Mayo* that courts not construe the categories of patent-ineligible subject matter too broadly. *Alice*, 134 S. Ct. at 2354 (cautioning that to do so risks letting the rule “swallow all of patent law”); *Mayo*, 132 S. Ct. at 1293 (noting that “too broad an interpretation . . . could eviscerate patent law” because all inventions involve nature, natural phenomena, or abstract ideas at some level). For these reasons, the Court finds that the “Best Face” technology described in the ‘591 Patent is not “directed to” an abstract idea and therefore is a patentable invention.

Even if this Court were to find that the “Best Face” technology was directed to the abstract idea of cutting-and-pasting, Prisua sufficiently demonstrates that there is a further “inventive concept” embedded within the ‘591 Patent. The claim involves an apparatus consisting of multiple interacting parts in which a digital processing unit performs “spatial matching.” Prisua argues that this spatial matching function consists of the apparatus performing an analysis that leads to a spatial “awareness” that improves upon the pre-existing image signal processing technology. *See* Pl.’s Resp. at 18–19. In interpreting the facts in the light most favorable to the non-moving party, pursuant to the standard for a motion to dismiss, this spatial matching would constitute a further inventive step.

For the reasons above, Samsung has not met the burden required to succeed in a 12(b)6 motion. Prisua’s ‘591 Patent survives the two-step *Alice* test. The Court finds that Samsung fails to meet the standard for demonstrating patent ineligibility under § 101.

IV. CONCLUSION

For the foregoing reasons, it is ORDERED AND ADJUDGED that Defendants' Motion to Dismiss (ECF No. 22) is DENIED.

DONE AND ORDERED in Chambers at Miami, Florida, this 9th day of March, 2017.

K. MICHAEL MOORE
UNITED STATES DISTRICT JUDGE

cc: All counsel of record