IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

GRACENOTE, INC.,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civil Action No. 18-1608-RGA
	)	
FREE STREAM MEDIA CORP., d/b/a SAMBA TV	)	
	)	
	)	
Defendant.	)	

REPORT AND RECOMMENDATION

I. INTRODUCTION

Presently before the court in this patent infringement action is the motion to dismiss for failure to state a claim upon which relief can be granted pursuant to Federal Rule of Civil Procedure 12(b)(6), filed by defendant Free Stream Media Corp., d/b/a Samba TV ("Samba").[1] (D.I. 10) For the following reasons, I recommend that the court deny the pending motion to dismiss.

II. BACKGROUND

Plaintiff Gracenote, Inc. ("Gracenote") is an entertainment data and technology company that provides automatic content recognition ("ACR") services to television original equipment manufacturers ("OEMs"). (D.I. 1 at ¶¶ 7-8) Gracenote is the owner by assignment of U.S. Patent Nos. 9,066,114 ("the '114 patent"), 9,479,831 ("the '831 patent"), 9,407,962 ("the '962 patent"), and 8,171,030 ("the '030 patent") (collectively, the "patents-in-suit"). (*Id.* at ¶¶ 12, 16, 19, 22) The '114 patent, the '831 patent, and the '962 patent (collectively, the "Trigger Patents") are related and share a common specification. (*Id.* at ¶¶ 17, 20) Gracenote asserts that Samba

[1] The briefing associated with the motion to dismiss is found at D.I. 11, D.I. 14, and D.I. 16.

infringes claims 1, 8, and 10 of the '114 patent, claims 11 and 24 of the '831 patent, claims 1, 8, and 15 of the '962 patent, and claim 1 of the '030 patent. (D.I. 1 at ¶¶ 30, 62, 84, 109)

The common specification of the Trigger Patents describes systems and methods for performing actions at a specified moment in a multimedia stream when the multimedia stream is played on a playback device. ('831 patent, col. 1:22-29) By way of example, the specification explains that the URL of a website may be embedded into a commercial and retrieved by a playback device, such as a television, to provide the viewer with additional information. (*Id.* at col. 1:34-40) The specification describes the advantages of the invention over the prior art, noting that the use of the claimed fingerprint technology eliminates the need for broadcaster cooperation and accurately triggers the desired action at the appropriate point in the multimedia stream without modifying the multimedia signal itself. (*Id.* at col. 2:44-3:25) For purposes of the pending motion, the parties agree that claim 11 of the '831 patent is representative of all asserted claims in the Trigger Patents:[2]

> 11. A method comprising:
>
> playing back multimedia content on a multimedia playback device, including providing at least some of the multimedia content on a display associated with the multimedia playback device;
>
> during the playback of the multimedia content by the multimedia playback device, repeatedly deriving, by the multimedia playback device, fingerprints from respective segments of the multimedia content;
>
> comparing the derived fingerprints to reference fingerprints representing features of the multimedia content, each reference fingerprint associated with one or more actions;
>
> determining that one of the derived fingerprints matches one of the reference fingerprints; and

[2] (D.I. 11 at 5-6; D.I. 14 at 4)

> in response to the determining that the one of the derived fingerprints matches the one of the reference fingerprints, causing execution of an action associated with the one of the reference fingerprints, the action being associated with a time point indicating when, in the multimedia content, the action is to be performed.

('831 patent, col. 9:27-47)

The '030 patent, entitled "Method and Apparatus for Multi-Dimensional Content Search and Video Identification," is not related to the Trigger Patents, but it is also directed to identifiers for multimedia called "robust hashes." ('030 patent, col. 15:32) Representative claim 1 of the '030 patent is a method claim directed to storing robust hashes and other data associated with a video in a database with "leaf nodes":

> 1. A method of organization of a multi-dimensional video database using a robust hash of a multi-dimensional vector signature as a traversal index, the method comprising:
>
> generation of a robust hash value as a traversal index from multiple parameters extracted from a region of interest in a frame of a video sequence; and
>
> storing data associated with the video sequence at a leaf node addressed by the robust hash value, wherein the leaf node is a member of a plurality of leaf nodes in a multi-dimensional video database.

('030 patent, col. 15:29-38) Claim 1 of the '030 patent is the only asserted claim of the '030 patent. (D.I. 1 at ¶¶ 109-18)

Gracenote filed this lawsuit on October 17, 2018, accusing Samba of infringing the patents-in-suit because Samba's product uses ACR for data collection and analysis, and for triggering actions such as presenting additional or alternative content. (D.I. 1 at ¶¶ 23-27) Specifically, Gracenote alleges that Samba's infringing product analyzes fingerprints to take actions such as enabling the presentation of additional or alternative content using traversal indexes and a multi-dimensional database. (*Id.*)

III. LEGAL STANDARDS

A. Failure to State a Claim

Samba moves to dismiss the pending action pursuant to Rule 12(b)(6), which permits a party to seek dismissal of a complaint for failure to state a claim upon which relief can be granted. Fed. R. Civ. P. 12(b)(6). According to Samba, Gracenote's complaint fails to state a claim because the asserted claims of the patents-in-suit are ineligible for patent protection under 35 U.S.C. § 101. Patent eligibility under 35 U.S.C. § 101 is a threshold test. *Bilski v. Kappos*, 561 U.S. 593, 602 (2010). Therefore, "patent eligibility can be determined at the Rule 12(b)(6) stage . . . when there are no factual allegations that, taken as true, prevent resolving the eligibility question as a matter of law." *Aatrix Software, Inc. v. Green Shades Software, Inc.*, 882 F.3d 1121, 1125 (Fed. Cir. 2018).

When considering a Rule 12(b)(6) motion to dismiss, the court must accept as true all factual allegations in the complaint and view them in the light most favorable to the plaintiff. *Umland v. Planco Fin. Servs.*, 542 F.3d 59, 64 (3d Cir. 2008). Dismissal under Rule 12(b)(6) is only appropriate if the complaint does not 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) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)); *see also Fowler v. UPMC Shadyside*, 578 F.3d 203, 210 (3d Cir. 2009). However, "a court need not 'accept as true allegations that contradict matters properly subject to judicial notice or by exhibit,' such as the claims and the patent specification." *Secured Mail Solutions LLC v. Universal Wilde, Inc.*, 873 F.3d 905, 913 (Fed. Cir. 2017) (quoting *Anderson v. Kimberly-Clark Corp.*, 570 F. App'x 927, 931 (Fed. Cir. 2014)).

B. Patent-Eligible Subject Matter

Section 101 of the Patent Act provides that patentable subject matter extends to four broad categories: "Whoever 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 recognizes three exceptions to the subject matter eligibility requirements of § 101: laws of nature, physical phenomena, and abstract ideas. *Alice Corp. Pty. v. CLS Bank Int'l*, 573 U.S. 208, 218 (2014). The purpose of these exceptions is to protect the "basic tools of scientific and technological work." *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 71 (2012), which are "part of the storehouse of knowledge of all men . . . free to all men and reserved exclusively to none," *Bilski v. Kappos*, 561 U.S. 593, 602 (2010) (internal quotation marks and citations omitted).

The Supreme Court articulated a two-step "framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts." *Alice*, 573 U.S. at 217; *see also Mayo*, 566 U.S. at 77-78. At step one, the court must determine whether the claims are directed to one of the three patent-ineligible concepts. *Alice*, 573 U.S. at 217. If the claims are not directed to a patent-ineligible concept, "the claims satisfy § 101 and [the court] need not proceed to the second step." *Core Wireless Licensing S.A.R.L. v. LG Elecs., Inc.*, 880 F.3d 1356, 1361 (Fed. Cir. 2018). If the court determines that the claims are directed to a patent-ineligible concept, the court must proceed to the second step by identifying an "'inventive concept'—*i.e.*, an element or combination of elements that is sufficient to ensure that the patent in practice amounts to significantly more than

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