Nos. 2022-1654, 2022-1691

IN THE

United States Court of Appeals

FOR THE FEDERAL CIRCUIT

CONTOUR IP HOLDING LLC,

Plaintiff-Appellant,

- v. -

GOPRO, INC.,

Defendant-Appellee.

On Appeal from the United States District Court for the Northern District of California in Nos. 3:17-cv-04738-WHO and 3:21-cv-02143-WHO, Honorable William H. Orrick, III, Judge

APPELLEE'S CORRECTED PETITION FOR PANEL REHEARING AND/OR REHEARING EN BANC

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October 9, 2024

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

CERTIFICATE OF INTEREST

Case Number	22-1654; 22-1691			
Short Case Caption	Case Caption Contour IP Holding LLC v. GoPro, Inc.			
Filing Party/Entity	Party/Entity GoPro, Inc.			
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GoPro, Inc.			
☐ Additional pages attached			

4. Legal Representatives appeared for the entities in appear in this court for the ean appearance in this court	the originating court or agentities. Do not include those	
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UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Case No. 22-1654; 22-1691 Contour IP Holding LLC v. GoPro, Inc.

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RULE 35(b) STATEMENT

Based on my professional judgment, I believe the panel decision is contrary to the following decision(s) of the Supreme Court of the United States or the precedent(s) of this court:

Part I.B: AI Visualize, Inc. v. Nuance Comm'cns, Inc., 97 F.4th 1371, 1378 (Fed. Cir. 2024); Trinity Info Media, LLC v. Covalent, Inc., 72 F.4th 1355, 1361 (Fed. Cir. 2023); PersonalWeb Techs., Inc. v. Google LLC, 8 F.4th 1310, 1315 (Fed. Cir. 2021); Koninklijke KPN N.V. v. Gemalto M2M GmbH, 942 F.3d 1143, 1150-51 (Fed. Cir. 2019); Intell. Ventures I LLC v. Erie Indemn. Co., 850 F.3d 1315, 1325 (Fed. Cir. 2017); Affinity Labs. of Tex., LLC v. DIRECTV, LLC, 838 F.3d 1253, 1257 (Fed. Cir. 2016).

Part II: Hawk Tech. Sys., LLC v. Castle Retail, LLC, 60 F.4th 1349, 1357 (Fed. Cir. 2023).

Based on my professional judgment, I believe this appeal requires an answer to one or more precedent-setting questions of exceptional importance:

Whether a claim's recitation of an undisputed feature of the prior art can be a basis for patent eligibility under 35 U.S.C. § 101.

/s/ Sean S. Pak Counsel for Defendant-Appellee GoPro, Inc.

INTRODUCTION

The precedential decision of the panel (Prost, Schall, & Reyna, JJ.) in this case holds that the asserted claims of two patents owned by Plaintiff-Appellee Contour IP Holding LLC ("Contour") that relate to portable, point-of-view ("POV") video cameras are directed to a specific technical improvement—recording multiple video streams "in parallel" and wirelessly transferring one stream to a remote device—and thus are patent eligible under 35 U.S.C. § 101. But recording dual streams "in parallel" is not part of the claimed advance over the prior art; rather, it is undisputedly a feature of the prior art and thus provides no basis for subject-matter And the remaining portion of the claimed advance—"wirelessly eligibility. transferring one stream to a remote device"—is something this Court has repeatedly As such, the claimed advance is an abstract idea held is an abstract idea. supplemented with an undisputed feature of the prior art and thus does not satisfy § 101. Panel rehearing or rehearing en banc is warranted for either or both of the following reasons.

First, in holding that the asserted claims are subject-matter eligible based on features that are undisputedly part of the prior art, the panel decision overlooks or misapprehends arguments that Defendant-Appellee GoPro, Inc. ("GoPro") raised on this issue, see infra, Part I.A, and conflicts with numerous decisions of this Court holding that Alice step one turns on "the focus of the claimed advance over the prior

art," see infra, Part I.B. Absent rehearing, claims will be able to survive scrutiny under § 101 for reasons having nothing to do with any advance over the prior art, providing a breathtaking expansion of subject-matter eligibility and a loophole in this Court's § 101 jurisprudence for patent holders to exploit. This issue deserves en banc consideration if the panel does not grant rehearing itself.

Second, the panel decision overlooks and conflicts with this Court's recent decision in *Hawk Technology Systems, LLC v. Castle Retail, LLC*, 60 F.4th 1349 (Fed. Cir. 2023), which held that claims involving transmittal of "streams of the video images," much like the claims here, were subject-matter *ineligible*. See *infra*, Part II. That decision is directly on point, yet goes unaddressed in the panel decision, leaving conflicting guidance for litigants and future panels of this Court alike as to the eligibility of streaming-related claims. Panel rehearing or rehearing *en banc* is warranted for this reason as well.

FACTUAL STATEMENT

1. In 2015 and again in 2021, Contour filed suit against GoPro, alleging certain GoPro products infringed claims of Contour's U.S. Patent Nos. 8,890,954 ("'954 patent") and 8,896,694 ("'694 patent"). The cases were consolidated and give rise to this appeal.

The '694 patent issued as a continuation of the '954 patent, such that the patent specifications are substantively identical. *See* Appx23; Appx81. Both patents-in-

suit relate to digital cameras and claim priority to a provisional application filed in September 2010. *See* Appx23; Appx81. Prior to then and still today, digital cameras often included a display showing what the camera is capturing. These "viewfinders" permit the user to properly frame the image or video. Digital cameras also commonly include controls to allow a user to alter various camera settings.

According to the patents' specifications, the claims address a simple problem: "When recording video or taking photographs in a sports application, [the] digital video camera 10 is often mounted in a location that does not permit the user to easily see the camera." Appx71 (19:35-37). Contour's claimed advance was to "[i]mplement[] digital video camera 10 with a wireless connection protocol" to "enable[] remote control of the operation of and remote access to image data" in the camera. Appx71 (19:38-41). Contour thus claimed to have solved the problem of users being unable to see the camera's viewfinder and controls by simply moving them to a different device in a results-focused fashion. Appx71 (20:29-34) ("mobile device [] become[s] a wireless handheld viewfinder").

Claim 11 of the '954 patent, which the parties agree is representative, describes a camera that implements this solution using a number of generic camera components, such as a lens, an image sensor, and a camera processor. Appx9. The camera processor is configured to, among other things, "generate from the video image data a first image data stream and a second image data stream, wherein the

second image data stream is a higher quality than the first image data stream." Appx77 (31:4-8). The district court construed "generate" to require "record[ing] in parallel" a first and second video image data of different qualities. Appx7754-7758.

Contour, however, conceded below that the "in parallel" dual streaming feature claimed in the asserted patents was not Contour's invention at all, but was a feature of the prior art Ambarella chipset. Appx21060 (Contour admitting that "image processing for generating two video streams in parallel" was part of the Ambarella chip); see Appx21062 (Contour explaining that Ambarella was a "prior art chip that was publicly available to many customers to use as they saw fit"). That Ambarella chipset included the capability to process data from an image sensor and to create two streams of video from that sensor data. See Appx20546 (a listed inventor for asserted patents stating that "[o]ne thing that is interesting is that the A5 processor outputs two video streams. One of these is the higher definition one and the other is a lower resolution one."); Appx21087 (same listed inventor testifying he believed Ambarella chips could generate two video streams of varying qualities in parallel). It could create those two video streams simultaneously, one at a lower quality and one at a higher quality. Appx21091.

2. In 2021, soon after this Court issued its decision in *Yu v. Apple Inc.*, 1 F.4th 1040 (Fed. Cir. 2021), GoPro challenged claim 11 of the '954 patent and claim

3 of the '694 patent as patent ineligible under § 101. GoPro first moved for judgment on the pleadings and, after that motion was denied, moved for summary judgment.

In opposing summary judgment, Contour never argued that the "in parallel" limitation had any bearing on patent eligibility. Rather, in its opposition brief, Contour characterized the claimed advance as the "creation of two video streams" to "provid[e] a preview stream to allow users to preview their recordings when previously their cameras did not have a screen or were mounted in such a way that the screen was effectively unusable," while at the same time "allowing the user to alter recording settings if necessary." Appx21069-21070. And at oral argument, Contour similarly stated that "the claims are directed to an improved point-of-view digital camera technology that combines a lens, image sensor, wireless connection device and a camera processor configured to generate two different quality streams and wirelessly transmit the lower-quality stream as a realtime preview for display." Appx23623; see Appx23473 (hearing demonstrative stating same).

The district court granted summary judgment to GoPro. At step one of the two-step test set forth in *Alice Corp. Pty. v. CLS Bank Int'l*, 573 U.S. 208 (2014), the district court ruled that representative claim 11 of the '954 patent is directed to the abstract idea of "creating and transmitting video (at two different resolutions) and adjusting the video's settings remotely." Appx7; *see* Appx7 ("As Contour admits, if there is anything novel about the claimed camera ... it is that the device

creates two video streams and transmits the lower resolution stream to a personal portable device while saving the higher resolution.") (citing Appx21069). The court then explained that Contour's claims do "not recite any technical requirements to execute the abstract idea" and that Contour's proffered advance over the prior art is "directed to a result or effect that itself is the abstract idea and merely invoke[d] generic processes and machinery." Appx7-8.

At step two, the district court determined that claim 11 does not recite an "inventive concept" sufficient to transform the abstract idea into a patent-eligible application. Appx12-16. The court explained that claim 11 "only recites functional, ends-oriented language and there is no indication that the physical components are behaving in any way other than their basic, generic tasks." Appx12-13. The court stated that "[n]o matter how unconventional Contour's organization of these elements, in essence the inventive and problem-solving concept is the abstract idea, which is insufficient." Appx13.

3. On appeal, the panel reversed at *Alice* step one. The panel decision determines that the "focus of the claimed advance over the prior art" is "parallel data stream recording with the low-quality recording wirelessly transferred to a remote," which it views as a specific "technological improvement" for POV cameras. Op. 9-10 (quoting *Affinity Labs. of Tex., LLC v. DIRECTV, LLC*, 838 F.3d 1253, 1257 (Fed. Cir. 2016)). The decision rejects the district court's

characterization of the claimed advance—which closely hewed to Contour's own arguments below—as too "generalized" and faults the court for characterizing the claimed advance in a way that "all but ensured the incorrect conclusion that the claims were drawn to an abstract idea." Op. 11.

The panel decision further states that the claims' use of "known or conventional components that existed in the prior art at the time of the invention ... does not necessarily mean that the claim is *directed to* an abstract idea at step one" (Op. 11), but does not address GoPro's argument that the focus of the claimed advanced *over* the prior art at *Alice* step one cannot itself be *part of* the prior art.

The panel decision also seeks to distinguish *Yu* on the basis that GoPro had not argued that "in parallel" dual streaming is "a long-known or fundamental practice" (Op. 12), and *Chargepoint, Inc. v. SemaConnect, Inc.*, 920 F.3d 759 (Fed. Cir. 2019), on the basis that "claim 11 of the '954 patent describes more than wireless data transfer within a particular technological environment" (Op. 12). But the decision does not address this Court's recent decision in *Hawk Technology*, 60 F.4th 1349, which held that claims—much like those here—reciting a surveillance system that transmitted "streams of the video images" are directed to patent-ineligible subject matter, *id.* at 1356-58.

ARGUMENT

I. PANEL REHEARING OR REHEARING *EN BANC* IS WARRANTED BECAUSE THE PANEL DECISION OVERLOOKS OR MISAPPREHENDS GOPRO'S PRIOR ART ARGUMENTS AND CONFLICTS WITH PRIOR DECISIONS OF THIS COURT

The panel should grant rehearing because the panel decision either overlooks that the advance it identified as supporting subject-matter eligibility includes features of the prior art or misapprehends GoPro's argument that prior art features cannot be a basis for patent eligibility. But if the panel declines to grant rehearing, the Court should grant rehearing *en banc* because the panel decision conflicts with numerous decisions holding that patent eligibility turns on the claimed advance over the prior art.

A. The Panel Decision Overlooks Or Misapprehends GoPro's Arguments That The Purported Advance Is Part Of The Prior Art

As the panel decision acknowledges, "[a]t *Alice* step one, [the Court] determine[s] whether the claims are directed to patent ineligible subject matter." Op. 9; *see*, *e.g.*, *Alice*, 573 U.S. at 217-18 ("We must first determine whether the claims at issue are directed to a patent-ineligible concept."). It should do so, as the panel decision further acknowledges, by "examin[ing] the 'focus of the *claimed advance over the prior art*." Op. 9 (quoting *Affinity Labs*, 838 F.3d at 1257) (emphasis added); *see*, *e.g.*, *Trinity Info Media*, *LLC v. Covalent*, *Inc.*, 72 F.4th 1355, 1361 (Fed. Cir. 2023) ("To determine whether a claim is directed to a patent ineligible concept, we evaluate the focus of the claimed advance over the prior art to determine

if the claims character as a whole is directed to excluded subject matter.") (quotation marks omitted).

The panel decision determines that "the focus of the claimed advance" here is "parallel data stream recording with the low-quality recording wirelessly transferred to a remote device." Op. 10 (emphasis added); see id. (relying on district court's construction of representative claim 11 as "requir[ing] recording multiple video streams 'in parallel'") (emphasis added). According to the panel decision, those "specific technological means ... provide a technological improvement to the real time viewing capabilities of a POV camera's recordings on a remote device." Op. 10 (emphasis added).

But in so ruling, the panel decision overlooks that it is undisputed that a portion of the supposed "claimed advance over the prior art"—the "in parallel" dual streaming—is itself a feature of the prior art and thus cannot be the basis for subject-matter eligibility. The patents never once mention "parallel" streaming. Contour conceded below that Ambarella was a "prior art chip that was publicly available to many customers to use as they saw fit" (Appx21062 (emphasis added)) and that the "Ambarella chip" included "image processing for generating two video streams in parallel" (Appx21060 (emphasis added)). It is perhaps for that reason that Contour never relied on the "in parallel" limitation as part of the claimed advance in the district court. See supra, at 5. It was only on appeal that Contour for the first time

Suggested that that limitation has some bearing on subject-matter eligibility. See Opening Br. 5, 8, 14. That argument not only came too late, see, e.g., Travel Sentry, Inc. v. Tropp, 2022 WL 443202, *12 (Fed. Cir. Feb. 14, 2022) (declining to consider "materially different" basis for patent eligiblity than raised in district court), but it conflicts with the undisputed record—which the panel decision overlooks—showing that parallel generation of multiple streams of video was a feature of the prior art Ambarella chip.

But even if the panel decision has not overlooked this point, that would only mean that it has misapprehended GoPro's legal argument. The panel decision states that a claim's "employ[ment of] known or conventional components that existed in the prior art at the time of the invention ... does not necessarily mean that the claim is directed to an abstract idea at step one." Op. 11. But GoPro's argument is not just that the claims recite the use of conventional components; rather, GoPro maintains that Contour cannot rely on a feature that is admittedly part of the prior art itself—"in parallel" dual streaming—as part of the claimed advance over the prior art for the purposes of the Alice step-one analysis. See GoPro Br. 18, 19-20, 22-23. The "focus of the claimed advance over the prior art" cannot simply include

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a prior art tool put to its normal use—that would eviscerate the entire inquiry and is not the law, see infra, Part I.B. The panel should grant rehearing for this reason too.¹

The Panel Decision Conflicts With Decisions Holding That Patent В. Eligibility Turns On The Claimed Advance Over The Prior Art

In concluding that the claims here are not directed to an abstract idea at *Alice* step one, the panel decision conflicts with numerous decisions of this Court holding that the step-one analysis turns on "the focus of the claimed advance over the prior art." E.g., AI Visualize, Inc. v. Nuance Comm'cns, Inc., 97 F.4th 1371, 1378 (Fed. Cir. 2024); Trinity, 72 F.4th at 1361; PersonalWeb Techs., Inc. v. Google LLC, 8 F.4th 1310, 1315 (Fed. Cir. 2021); Intell. Ventures I LLC v. Erie Indemn. Co., 850 F.3d 1315, 1325 (Fed. Cir. 2017); Affinity Labs, 838 F.3d at 1257; see also Koninklijke KPN N.V. v. Gemalto M2M GmbH, 942 F.3d 1143, 1150-51 (Fed. Cir. 2019) (considering whether claimed method was directed to a "non-abstract improvement over the prior art").

The panel decision departs from this unbroken line of authority by relying on the claims' recitation of an undisputed feature of the prior art as a basis for the

The panel decision's citations (Opp. 11) to TecSec, Inc. v. Adobe Inc., 978 F.3d 1278 (Fed. Cir. 2020), Core Wireless Licensing S.A.R.L. v. LG Electronics, Inc., 880 F.3d 1356 (Fed. Cir. 2018), and Thales Visionix Inc. v. United States, 850 F.3d 1343 (Fed. Cir. 2017), further suggest that it misapprehends GoPro's argument. Those decisions involved inventions run on generic or conventional hardware, namely a computer (Core Wireless), a computer network (TecSec), or inertial sensors (Thales); none viewed an undisputed feature of the prior art as a basis for subjectmatter eligibility.

claimed advance. But just as unclaimed details in a specification cannot be the focus of the claimed advance over the prior art for § 101 purposes, *see*, *e.g.*, *ChargePoint*, 920 F.3d at 769-70, neither can features of the prior art be the focus of the claimed advance. Simply put, a feature *of* the prior art itself cannot be an advance *over* the prior art.

This Court's decision in Trading Technologies Int'l v. IBG LLC, 921 F.3d 1378 (Fed. Cir. 2019), is instructive. There, this Court first determined "the focus of the claimed advance over the prior art" by identifying the "difference between the [prior art] trading screen of Figure 2 [in the specification] and the one claimed." *Id.* at 1384. This Court then considered whether the difference—the type of financial information provided (price values versus P&L values)—was an abstract idea, ultimately concluding that it was. *Id.* Here, in contrast, the panel decision does not measure the claimed advance based on the prior art and instead relies on an undisputed feature of the prior art—"in parallel" dual streaming—to conclude that the claims are subject-matter eligible. That methodology has no precedent in this Court's § 101 jurisprudence, and applying it here led to error because the non-prior art feature of the claimed advance—transferring video to a remote device—is an abstract idea under this Court's precedents, see, e.g., Affinity Labs, 838 F.3d at 1261; infra, Part II. Adding undisputed prior art to an abstract idea does not satisfy § 101.

To be sure, as the panel decision notes (Op. 11), this Court has held that a claim's use of known or conventional components does not by itself render a claim subject-matter *ineligible* at step one. *See, e.g., Core Wireless*, 880 F.3d at 1362. But that is a separate proposition from whether the known or conventional components can be part of the advance over the prior art that renders a claim subject-matter *eligible*, as the panel decision holds here. This sharp break from this Court's precedent warrants *en banc* review, if the panel does not grant rehearing.

Rehearing *en banc* is additionally warranted because this conflict involves an issue of exceptional importance that threatens to undermine the very foundation of patent eligibility. By reversing the district court's § 101 ruling based on the presence of some non-abstract feature, the panel decision risks neutering *Alice* step one, as a patent holder could simply point to prior art features to avoid ineligibility. And it would allow a claim to pass muster under § 101 simply because it recites, for example, some hardware component, regardless of whether that is part of the claimed invention or, as here, is just an off-the-shelf part. The determination of patent eligibility would then no longer be tethered to the claimed invention, a perplexing result without support in this Court's precedent. The Court should grant rehearing *en banc*.

II. PANEL REHEARING OR REHEARING *EN BANC* IS WARRANTED BECAUSE THE PANEL DECISION OVERLOOKS AND CONFLICTS WITH *HAWK TECHNOLOGY*

Rehearing either by the panel or the full court is separately warranted because the panel decision does not address—and appears to have overlooked—this Court's recent and highly-analogous decision in *Hawk Technology*, creating an untenable conflict with that decision and injecting further confusion into this Court's § 101 caselaw.

In *Hawk Technology*, this Court held claims were directed to an abstract idea where they recited a "method of receiving, displaying, converting, storing, and transmitting digital video using result-based functional language." 60 F.4th at 1357 (quotation marks omitted). This Court explained that the claims merely "require [] functional results" of, for example, "converting one or more of the video source images into a selected video format" and "transmitting ... a version of one or more of the video images." *Id.*; *see id.* at 1353 (claims reciting "converting one or more of the video source images into a selected video format in a particular resolution"). "[C]onverting information from one format to another—including changing the format of video data or compressing it—is an abstract idea." *Id.* at 1357. "Transmitting" images is likewise a "general abstract idea[]." *Id.*

Hawk Technology is no outlier. Indeed, in AI Visualize, which was issued after oral argument in this appeal, this Court relied on Hawk Technology to hold that

claims requiring "converting video data using certain parameters in such a manner that the data could be manipulated and displayed to conserve bandwidth and preserve the data quality" were directed to ineligible subject matter. 97 F.4th at 1379. This Court reiterated that "converting information from one format to another ... is an abstract idea," and that "as in *Hawk*, this 'creation' of a virtual view from the existing [volume visualization dataset], recited in general terms, is abstract data manipulation." *Id.* (quoting *Hawk Tech.*, 60 F.4th at 1357).

Just as in *Hawk Technology* and *AI Visualize*, after setting aside features of the prior art (*see supra*, Part I), the claims here are focused on converting "video image data" to "image data streams" at relatively higher and lower quality for transmission and storage. Op. 10 ("the claimed POV camera processor [is] configured to record low and high-quality data streams in parallel, followed by the low-quality data stream's wireless transfer to a remote device."). That follows directly from the specification, which describes the claimed advance as follows: "Implementing digital video camera 10 with a wireless connection protocol enables remote control of the operation of and remote access to image data stored in digital video camera 10." Appx71 (19:38-41); *see* Appx71 (20:9-13) ("Reduced resolution or frame rate entails recording video in two formats, high quality and low quality, in

which the lower quality file is streamed or played back after the recorded action has taken place.").²

The panel decision is thus irreconcilable with both *Hawk Technology* and *AI* This inconsistency is particularly destabilizing given this Court's Visualize. analogy-based assessment of patent eligibility under § 101. See, e.g., Enfish, LLC v. Microsoft Corp., 822 F.3d 1327, 1334 (Fed. Cir. 2016) ("The Supreme Court has not established a definitive rule to determine what constitutes an 'abstract idea' Rather, both this court and the Supreme Court have found it sufficient to compare claims at issue to those claims already found to be directed to an abstract idea in previous cases."). Absent rehearing, parties will have conflicting guidance on whether Hawk Technology, AI Visualize, or Contour provides the appropriate analogy where an invention focuses on viewing, storing, converting, and transmitting converted video or other information, and panels of this Court will likewise be uncertain which precedential decision to follow in assessing patent eligibility of such claims. Either panel rehearing or rehearing en banc is warranted to ensure uniformity and predictability of this Court's § 101 jurisprudence.

The panel decision rejects an analogy to *Chargepoint*, which held claims related to connecting charging stations for electrical vehicles via a wireless network were patent ineligible, 920 F.3d at 770, because the asserted claims here "describe[] more than wireless data transfer within a particular technological environment," Op. 12. But the only "more" that the panel decision identifies is "recording multiple video streams in parallel," *id.*—an undisputed feature of the prior art that is irrelevant to the § 101 inquiry, *see supra*, Part I.

CONCLUSION

The petition should be granted.

Dated: October 9, 2024

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Dated: October 9, 2024

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ADDENDUM

United States Court of Appeals for the Federal Circuit

Document: 7616

CONTOUR IP HOLDING LLC,

Plaintiff-Appellant

v.

GOPRO, INC.,

Defendant-Appellee

2022-1654, 2022-1691

Appeals from the United States District Court for the Northern District of California in Nos. 3:17-cv-04738-WHO, 3:21-cv-02143-WHO, Judge William H. Orrick, III.

Decided: September 9, 2024

JOHN R. KEVILLE, Sheppard Mullin Richter & Hampton LLP, Houston, TX, argued for plaintiff-appellant. Also represented by MICHAEL C. KRILL; RICHARD L. STANLEY, Law Office of Richard L. Stanley, Houston, TX.

SEAN S. PAK, Quinn Emanuel Urguhart & Sullivan, LLP, San Francisco, CA, argued for defendant-appellee. Also represented by WILLIAM ADAMS, New York, NY; NATHAN HAMSTRA, MARC L. KAPLAN, Chicago, IL.

Before PROST, SCHALL, and REYNA, Circuit Judges.

REYNA, Circuit Judge.

Contour sued GoPro for patent infringement. According to Contour, several of GoPro's point-of-view digital video camera products infringed its patents. After five years of litigation, GoPro sought summary judgment on grounds that Contour's asserted claims were patent ineligible under 35 U.S.C. § 101. The district court agreed with GoPro and entered judgment against Contour. We reverse and remand for further proceedings.

BACKGROUND

Ι

Contour IP Holding LLC ("Contour") owns U.S. Patent Nos. 8,890,954 ("954 patent") and 8,896,694 ("694 patent"). The '694 patent is a continuation of the '954 patent, and the two patents share virtually identical specifications. We thus refer to the '954 patent specification when discussing both asserted patents.

The asserted patents relate to portable, point-of-view ("POV") video cameras. '954 patent, 1:14–17. As the name suggests, POV video cameras are often used to capture a scene from a user's point-of-view rather than from a thirdperson viewpoint. The patents' shared specification explains that at the time the patents were filed, POV cameras were "a relatively new product category," and even those that were not designed to be hands-free were being "adapted to capture POV video by action sports enthusiasts in a hands-free manner." *Id.* at 1:21–23.

The asserted patents disclose a "hands-free, POV action sports video camera" that is "configured for remote image acquisition control and viewing." *Id.* at 1:15–17. The specification explains that often in a sports application, a POV camera is "mounted in a location that does not permit the user to easily see the camera." *Id.* at 19:36–37. A skier, for example, may wish to mount a small POV camera to his helmet. See id. at 12:42–45 ("[B]ase mount **130** . . . can be

attached to a variety of surfaces such as, for example, the surfaces of helmets "), 21:66–22:2. In these instances, the user is unable to review what is being recorded in real time on the camera or to even see the camera. In addition, in these circumstances, it is difficult to adjust recording settings or a point of view to better match the user's recording preferences. See id. at 19:35–37 ("[I]n a sports application, digital video camera 10 is often mounted in a location that does not permit the user to easily see the camera.").

To address these problems, the patents describe implementing wireless technology in the video camera 10 that allows the camera to send real time information to a remote device, such as a cell phone. *Id.* at 19:48–50. From this remote device, the user can see what is being recorded by the camera. *Id.* at 20:41–44. The user can also make real time adjustments to the recording settings, such as light level and audio settings, before or during an activity. Id. at 20:44–47. The skier, for example, can ensure that his descent down the ski slope has been recorded to his preferences. See, e.g., id. at 20:41–44 ("This wireless connection" capability enables a user to configure camera settings in real time and preview what digital video camera 10 sees."); see also id. at 22:66–22:53 (describing procedures for adjusting camera position, lighting level, and color settings on the remote device).

Separate from the use of wireless technology itself, the patent also discloses modifications to the camera's system for processing recordings and permitting real time playback. In a key embodiment, the patents disclose that camera 10 is configured to generate video recordings "in two formats, high quality and low quality, in which the lower quality file is streamed" to the remote device. Compare id. at 20:9-11, with id. at 31:4-11 (limitations recited in claim 11 of the '954 patent). The system thereby achieves real time playback on the remote device without exceeding wireless connection bandwidth. See, e.g., id. at 20:13–16 (explaining that "[f]or streaming implementation, wireless connection bandwidth can be monitored to adapt to the available bandwidth the resolution, bit rate, and frame rate on the secondary [(lower quality)] recording"). Using the lower quality recording, the skier gets to see real time progress on the remote device and make adjustments accordingly. The higher quality version of the recording is saved on the camera for later viewing. *See id.* at 19:38–41 (describing using a wireless connection protocol for "remote access to image data stored in digital video camera **10**").

This "dual recording" embodiment is reflected in the two claims at issue in this case, claim 11 of the '954 patent and claim 3 of the '694 patent. The parties agree that claim 11 of the '954 patent may be treated as representative for purposes of the § 101 inquiry. See Berkheimer v. HP Inc., 881 F.3d 1360, 1365 (Fed. Cir. 2018). Claim 11 recites:

11. A portable, point of view digital video camera, comprising:

a lens;

an image sensor configured to capture light propagating through the lens and representing a scene, and produce real time video image data of the scene;

a wireless connection protocol device configured to send real time image content by wireless transmission directly to and receive control signals or data signals by wireless transmission directly from a personal portable computing device executing an application; and

a camera processor configured to:

- receive the video image data directly or indirectly from the image sensor,
- generate from the video image data a first image data stream and a second image data

stream, wherein the second image data stream is a higher quality than the first image data stream,

cause the wireless connection protocol device to send the first image data stream directly to the personal portable computing device for display on a display of the personal portable computing device, wherein the personal portable computing device generates the control signals for the video camera, and wherein the control signals comprise at least one of a frame alignment, multi-camera synchronization, remote file access, and a resolution setting, and at least one of a lighting setting, a color setting, and an audio setting,

receive the control signals from the personal portable computing device, and

adjust one or more settings of the video camera based at least in part on at least a portion of the control signals received from the personal portable computing device.

'954 patent, 30:57-31:24.

П

In 2015, Contour sued GoPro, Inc. ("GoPro"), alleging that several GoPro products infringed claims of the '954 and '694 patents. In 2021, Contour filed a second suit against newer GoPro products, alleging that those products similarly infringed claims of the two asserted patents.

In 2018, in the first lawsuit, the United States District Court for the Northern District of California issued an order construing disputed claim terms in the asserted patents. Contour IP Holding, LLC v. GoPro, Inc., No. 3:17cv-04738-WHO, 2018 WL 3428606 (N.D. Cal. July 16, 2018) ("Claim Construction Order"). In particular, the

district court construed a term of claim 11 of the '954 patent that recites: "generat[ing] from the video image data a first image data stream and a second image data stream, wherein the second image data stream is a higher quality than the first image data stream." Id. at *5. The district court construed the word "generate" as "record in parallel from the video image data." *Id.* (emphasis added). The district court concluded the claim term was limited to recording in parallel because during inter partes review proceedings, Contour asserted that the claims required both data streams be generated from the image sensor data, or "in parallel." Id. at *7. Contour argued that generating streams in parallel distinguished the claims from prior art systems with streams created "in sequence," where the high-resolution stream is generated first and down-converted to create a low resolution stream. Id.: see also GoPro's Responsive Claim Construction Br. at Exs. J. K, Contour IPHolding. LLCGoPro, No. 3:17-cv-04738-WHO (N.D. Cal. May 18, 2018), ECF No. 235.

In 2021, after the district court had granted partial summary judgment that GoPro's accused products infringe claim 11 of the '954 patent in the first lawsuit, GoPro challenged claim 11 of the '954 patent and claim 3 of the '694 patent as patent ineligible under 35 U.S.C. § 101. GoPro raised its § 101 challenge in the second lawsuit, initially as a motion for judgment on the pleadings under Federal Rule of Civil Procedure 12(c). Contour IP Holding, LLC v. Go-Pro, Inc., No. 3:17-cv-04738-WHO, 2021 WL 4148651, at *6 (N.D. Cal. Sept. 13, 2021) ("Rule 12(c) Order"). GoPro filed the motion soon after this court issued its decision in Yu v. Apple Inc., 1 F.4th 1040 (Fed. Cir. 2021), and relied heavily on the analysis in Yu in making its arguments for ineligibility. See Rule 12(c) Order, 2021 WL 4148651, at *7. Like the claims in this case, Yu involved claims reciting components of a digital camera. Yu, 1 F.4th at 1042. We concluded in Yu that the claims were "directed to the abstract idea of taking two pictures (which may be at different exposures) and using one picture to enhance the other in some way." *Id.* at 1043.

The district court denied the motion. *Rule 12(c) Order*, 2021 WL 4148651, at *6. In its ruling on GoPro's motion for judgment on the pleadings, the district court referred to the two-step § 101 inquiry set forth in *Alice Corporation Pty. Ltd. v. CLS Bank International*, 573 U.S. 208 (2014). It observed,

Contour pleads[] it came up with an innovative solution: the camera would stream a low quality video to a smartphone so that the user could watch what was being recorded removed from the camera; it would store a high quality video that would be the one ultimately used; and it would receive specified control signals from the smartphone so that users could control the image removed from the camera. This is also reflected in the patents.

Rule 12(c) Order, 2021 WL 4148651, at *8 (citations omitted). Although it denied the motion based on Contour's allegations, the district court ruled that its decision was made without prejudice to GoPro's raising § 101 patent ineligibility "again at summary judgment based on a factual record." *Id.* at *6.

At the summary judgment stage, GoPro again argued that the asserted claims were patent ineligible under § 101. Contour IP Holding, LLC v. GoPro, Inc., No. 3:17-cv-04738-WHO, 2022 WL 658553, at *1 (N.D. Cal. Mar. 4, 2022) ("Decision"). This time, the district court agreed with GoPro. At Alice step one, the district court characterized representative claim 11 as directed to the abstract idea of "creating and transmitting video (at two different resolutions) and adjusting the video's settings remotely." Id. at *4. At Alice step two, the district court concluded that the claim recites only functional, results-oriented language with "no indication that the physical components are behaving in

any way other than their basic, generic tasks." *Id.* at *7. Following its conclusion that the asserted claims were patent ineligible under § 101, the district court entered judgment for GoPro and against Contour.

Contour appeals. We have jurisdiction under 28 U.S.C. $\S 1295(a)(1)$.

STANDARD OF REVIEW

We review the grant of a summary judgment under the law of the applicable regional circuit, in this case, the Ninth Circuit. *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1146 (Fed. Cir. 2016). The Ninth Circuit reviews summary judgment determinations de novo. *Id.* Summary judgment is appropriate in the Ninth Circuit when, drawing all reasonable inferences in favor of the non-moving party, there are no genuine issues of material fact. *Id.*

We review § 101 patent eligibility under Federal Circuit law. *Smart Sys. Innovations, LLC v. Chi. Transit Auth.*, 873 F.3d 1364, 1367 (Fed. Cir. 2017). Eligibility is ultimately a question of law that may be based on underlying factual findings. *Berkheimer*, 881 F.3d at 1365.

DISCUSSION

T

Section 101 of the Patent Act states, "[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 determined that certain exceptions to the requirements of § 101 exist such that "[l]aws of nature, natural phenomena, and abstract ideas are not patentable." *Alice*, 573 U.S. at 216 (citation omitted). The patentability exception for abstract ideas, at issue in this case, embodies "the longstanding rule that

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'[a]n idea of itself is not patentable." Id. at 218 (quoting Gottschalk v. Benson, 409 U.S. 63, 67 (1972)).

To determine whether patent claims are directed to patent ineligible subject matter, the Supreme Court has developed a two-step test commonly known as the "Alice" test. Under Alice step one, we consider whether the claims at issue are directed to, in this case, an abstract idea. *Id*. at 217. If the claims are not directed to an abstract idea, the *Alice* inquiry ends. *Id.* If we conclude that the claims are directed to patent ineligible subject matter, the inquiry continues to Alice step two, where we ask whether the claims recite something "significantly more" than an abstract idea itself. Id. at 217-18. The court determines whether the claims include elements sufficient to transform them into a patent-eligible application. *Id*.

II

Citing Yu and other precedent, the district court determined at *Alice* step one that representative claim 11 of the '954 patent is directed to patent ineligible subject matter. Decision, 2022 WL 658553, at *5. We disagree.

At *Alice* step one, we determine whether the claims are directed to patent ineligible subject matter. We often examine the "focus of the claimed advance over the prior art." Affinity Labs of Tex., LLC v. DIRECTV, LLC, 838 F.3d 1253, 1257 (Fed. Cir. 2016); see also Enfish, LLC v. Microsoft Corp., 822 F.3d 1327, 1335 (Fed. Cir. 2016). We conduct this analysis by ascertaining the "basic character" of the claimed subject matter. Trinity Info Media, LLC v. Covalent, Inc., 72 F.4th 1355, 1361 (Fed. Cir. 2023) (citations omitted). In doing so, we must avoid describing the claims at a high level of abstraction, divorced from the claim language itself. Enfish, 822 F.3d at 1337.

To determine the focus of the claimed advance at *Alice* step one, we look to whether the claims are directed to "a specific means or method that improves the relevant technology" rather than simply being directed to "a result or effect that itself is the abstract idea." *McRO*, *Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1314 (Fed. Cir. 2016). An improved result, without more, is not enough to support patent eligibility at *Alice* step one. *Koninklijke KPN N.V. v. Gemalto M2M GmbH*, 942 F.3d 1143, 1150 (Fed. Cir. 2019). When a claim "abstractly cover[s] results" without regard to a specific process or machinery for achieving those results, it creates preemption concerns because it "would prohibit all other persons from making the same thing by any means whatsoever." *McRO*, 837 F.3d at 1314 (quoting *Le Roy v. Tatham*, 55 U.S. 156, 175 (1853)).

Here, when read as a whole, claim 11 is directed to a specific means that improves the relevant technology. Claim 11 recites an improved POV camera through its combination of claim limitations and requirement that the claimed POV camera processor be configured to record lowand high-quality data streams in parallel, followed by the low-quality data stream's wireless transfer to a remote device. With the claimed POV camera, a user can remotely view and adjust the desired recording in real time, with the elimination of bandwidth limitations on wireless data transfer. See '954 patent, 20:9–16. The claims thus require specific, technological means—parallel data stream recording with the low-quality recording wirelessly transferred to a remote device—that in turn provide a technological improvement to the real time viewing capabilities of a POV camera's recordings on a remote device.

Importantly, the district court construed "generate" in representative claim 11 to require recording multiple video streams "in parallel." *Claim Construction Order*, 2018 WL 3428606, at *5. Thus, the claims do not cover other ways that a camera processor might generate multiple video streams of varying quality for wireless transmission, such as streams created "in sequence." *See id.* at *7. Rather, the claims are drawn to a "specific means or method that

improves the relevant technology." *McRO*, 837 F.3d at 1314; see also CardioNet, LLC v. InfoBionic, Inc, 955 F.3d 1358, 1368 (Fed. Cir. 2020).

The district court's decision characterizes the claims at an impermissibly high level of generality. As we have noted, the practice of "describing the claims at such a high level of abstraction and untethered from the language of the claims all but ensures that the exceptions to § 101 swallow the rule." *Enfish*, 822 F.3d at 1337 (citations omitted). For example, in this case, the district court's conclusion that the claims were "directed to a result or effect that itself is the abstract idea" disregards the disclosed technological means for obtaining a technological result. *Decision*, 2022 WL 658553, at *4 (internal quotations and citation omitted). The district court erred in its generalized articulation of the claimed advance of the claims, which all but ensured the incorrect conclusion that the claims were drawn to an abstract idea. *Enfish*, 822 F.3d at 1337.

GoPro contends that the claims simply employ known or conventional components that existed in the prior art at the time of the invention. See, e.g., Appellee's Br. 25–26. Even so, that alone does not necessarily mean that the claim is directed to an abstract idea at step one. See, e.g., Core Wireless Licensing S.A.R.L. v. LG Elecs., Inc., 880 F.3d 1356, 1362 (Fed. Cir. 2018) (discussing Thales Visionix Inc. v. United States, 850 F.3d 1343, 1348–49 (Fed. Cir. 2017)); see also TecSec, Inc. v. Adobe Inc., 978 F.3d 1278, 1297 (Fed. Cir. 2020).

We also reject GoPro's argument that our decisions in other cases, particularly Yu, are dispositive in this case. Oral Arg. at 32:00-32:35. We characterized the claims in Yu as being "directed to the abstract idea of taking two pictures (which may be different at different exposures) and using one picture to enhance the other in some way." 1 F.4th at 1043. In Yu, there was no dispute that "the idea and practice of using multiple pictures to enhance each

other has been known by photographers for over a century." *Id.* Stated differently, in *Yu*, we took note of a longstanding, fundamental practice in photography, without conducting a prior art search. Here, GoPro does not argue that a camera's recording two video streams in parallel and wirelessly transferring the lower quality video stream to a remote device for real time viewing and adjustment was a long-known or fundamental practice supporting patent ineligibility at *Alice* step one.

We also reject GoPro's argument that Contour's claims are simply directed to the abstract idea of wireless network communication and thus analogous to *ChargePoint*, *Inc. v. SemaConnect*, *Inc.*, 920 F.3d 759 (Fed. Cir. 2019). The claims in *ChargePoint* related to charging stations for electric vehicles, and more particularly local charging stations connected via a wireless network. *Id.* at 763, 766. We concluded that the claims were drawn to the abstract idea of "communication over a network," applied to the context of electric vehicle charging stations. *Id.* at 769. We explained that neither the specification nor the claims supported that "the charging station itself is improved from a technical perspective, or that it would operate differently than it otherwise could." *Id.* at 768.

Here, claim 11 of the '954 patent describes more than wireless data transfer within a particular technological environment. Instead, claim 11 enables the claimed POV camera to "operate differently than it otherwise could," *id.*, by both recording multiple video streams in parallel and wirelessly transferring only one video stream, a lower quality stream, to a remote device.

The claims are directed to a technological solution to a technological problem. The written description discloses improving POV camera technology through specific means of generating high- and low-quality video streams in parallel and transferring a low-quality video stream to a remote device, and the claims reflect this improvement. The

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claims, therefore, recite patent eligible subject matter at *Alice* step one.

We hold that claim 11 of the '954 patent and claim 3 of the '694 patent are not directed to patent ineligible subject matter. We need not proceed to the second step of the *Alice* inquiry. *Alice*, 573 U.S. at 217. Because the district court erred in concluding the claims were directed to an abstract idea, we reverse and remand for further proceedings.

CONCLUSION

We have considered GoPro's remaining arguments and find them unpersuasive. We hold that the asserted claims are directed to patent eligible subject matter. We thus reverse the district court's invalidity determination based on subject matter ineligibility under 35 U.S.C. § 101 and remand for further proceedings.

REVERSED AND REMANDED

Costs

Costs to Contour.

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