

Zappos Escapes Automated Email Reminder Patent Suit

By **Daniel Wilson**

Law360, Washington (November 13, 2013, 8:06 PM ET) -- Amazon.com Inc. subsidiary Zappos IP Inc. on Wednesday escaped a suit accusing it of infringing a “machine event” patent with its automated purchase reminder emails, after a Delaware federal judge ruled the concept underpinning the patent was too abstract to be patented.

According to U.S. District Judge Richard G. Andrews, Ubicomm LLC's patent — U.S. Patent Number 5,603,054, titled “Method For Triggering Selected Machine Event When The Triggering Conditions Of An Identified User Are Perceived” — was an ineligible attempt to patent an abstract idea.

Zappos had argued that Ubicomm’s patent was based on the unpatentable idea of a conditional action — an action which is triggered by another action or circumstance. While Ubicomm had claimed that the focus of the ‘054 patent was not on a conditional action, but rather a method of triggering a concrete “machine event” like sending a specific message based on an update to a user condition, its argument was unconvincing, the judge said.

“Here, the court agrees with the defendant that the abstract idea at the heart of the claim is the very concept of a conditional action,” Judge Andrews said.

The first claim of the patent involves the selection of an action to occur once both a machine-based and user-based parameter are triggered, which is “simply an embodiment of a conditional action,” a basic tool in a number of disciplines, according to the opinion.

While Ubicomm had attempted to narrow its patent so it didn’t cover the full abstract idea of a conditional action — confining it to a computer environment with at least one stationary computer and one mobile computer, and the presence of at least two human users — the claim still falls under Federal Circuit precedent holding that adding a “computer-aided” limitation to a claim covering an abstract concept doesn’t make it patentable, Judge Andrews ruled.

The specification for one stationary and one mobile computer is not meaningful, nor is the need for a generic “machine event” to happen, and the further seven dependent claims in the patent are also invalid, making dismissal appropriate despite the early stage of the case, as the only plausible reading of the ‘054 patent is that it is ineligible, according to the judge.

Counsel for both parties didn’t immediately respond to requests for comment late Wednesday.

Ubicomm, a Wilmington, Del.-based patent assertion entity, sued Zappos in June, alleging the online shoe retailer had infringed on its '054 patent and requesting damages, interest, costs and attorneys' fees.

The patent covers the automatic triggering of certain events in a computer system with multiple users, which Zappos had infringed through its automated reminder emails sent to shoppers who place an item in their online shopping "carts" but delay or abandon the purchase, the complaint alleged.

Zappos moved for dismissal in July, arguing in a later brief that the case should be swiftly disposed of "in the interests of judicial efficiency," saying Ubicomm had asserted the same "facially invalid" patent in many other cases, burdening a "vast swath of American commerce."

Ubicomm, assigned the '054 patent in February, has so far asserted the patent in at least 60 cases, across a range of retailers with online storefronts, including giants such as Wal-Mart Stores Inc., Dell Inc., eBay Inc. and Lowe's Home Centers Inc., among others.

The patent-in-suit is U.S. Patent Number 5,603,054.

Ubicomm is represented by Darlene Ghavimi and Steven R. Daniels of Farney Daniels PC and by Stamatios Stamoulis and Richard C. Weinblatt of Stamoulis & Weinblatt LLC.

Zappos is represented by Steven J. Balick, Lauren E. Maguire and Andrew C. Mayo of Ashby & Geddes PA and by Adam K. Mortara and Abby M. Mollen of Bartlit Beck Herman Palenchar & Scott LLP.

The case is Ubicomm LLC v. Zappos IP Inc., case number 1:13-cv-01029, in the U.S. District Court for the District of Delaware.

--Editing by Rebecca Flanagan.