

Lamkin IP Defense

RDL@LamkinIPDefense.com

916.747.6091

Edward Turnbull
Jean Vidal
Representative & Counsel
Motivational Health Messaging, LLC
Sent via email and certified mail

February 1, 2018

RE: MHM January 2, and January 19, 2018 Demand Letters

Dear Ed, Mr. Vidal,

I write regarding your January 2, 2018 and January 19 letter and email sent to my client, Motiv, alleging infringement of U.S. Patent No. 9,069,648 (“the ’648 Patent”) and “offering a lump sum fee of \$35,000 in exchange for a paid-up one-time license,” and threatening litigation therefore.

I thank you for granting my request to pause the threatened litigation so that I might review the file and advise Motiv accordingly. Upon review, we decline your invitation to license the ’648 Patent, for the following reasons:

- (1) Your infringement allegations are unfounded;
- (2) The claims of the ’648 Patent are invalid under 35 U.S.C. §§ 102 and 103 (and no reasonable argument to the contrary may be made);
- (3) The claims of the ’648 Patent are drawn to patent ineligible subject matter; and
- (4) The claims of the ’648 Patent are indistinguishable from claims that have been found anticipated and obvious by the USPTO (and your client is aware of this fact).

Further, as a professional courtesy, I am providing notice that Motiv intends to make your demand letter and this correspondence public. We believe the owners of Motivational Health Messaging (“MHM”) are the well-known individuals behind

assertion entities such as Shipping & Transit and Eclipse IP.¹ As the New York Times has noted, entities like Shipping & Transit (“S&T”) have a pattern and practice of asserting patents against entities that cannot afford attorneys with the intended effect of bullying small companies and individuals into taking licenses to weak patents.² As explained by the Honorable Judge Guilford:

[S&T’s] business model involves filing hundreds of patent infringement lawsuits, mostly against small companies, and leveraging the high cost of litigation to extract settlements for amounts less than \$50,000. These tactics present a compelling need for deterrence and to discourage exploitative litigation by patentees who have no intention of testing the merits of their claims.³

The business models of S&T and MHM are identical. As such, Motiv intends to make your demand letter, this correspondence, the prior art charts discussed below, and various other supporting materials public in the hopes that other small entities may benefit from the analysis contained herein.

Further, should MHM file a complaint against Motiv, at the outset of litigation, we will ask the court to issue an order mandating that MHM post a bond covering any award of attorney’s fees given the likely award of fees and given the tendency of the people behind MHM (and S&T) to refuse to honor sanctions awards.⁴

¹ Namely Martin Kelly Jones, Peter Sirianni, and Scott Andrew Horstemeyer. See ’648 Patent assignments and Florida state business search

(<http://search.sunbiz.org/Inquiry/CorporationSearch/ByName>) for evidence of ownership/interest in the assignor and assignee entities; see also:

<https://thepatentinvestor.com/2015/03/arrivalstars-jones-rejects-troll-label-as-derogatory-and-preposterous/>; <https://arstechnica.com/tech-policy/2017/07/two-judges-smack-down-notorious-patent-holder-shipping-and-transit-in-one-week/>; <https://arstechnica.com/tech-policy/2015/06/patent-lawyer-sues-eff-over-stupid-patent-of-the-month-post/>; <http://archive.is/uYbES>

² <http://archive.is/uYbES>

³ *Shipping & Transit, LLC v. Hall Enters.*, No. CV 16-06535-AG-AFM, 2017 U.S. Dist. LEXIS 109122, at *23 (C.D. Cal. July 5, 2017);

<https://www.techdirt.com/articles/20170709/11420037746/court-wont-let-patent-troll-dismiss-way-out-lawsuit-orders-it-to-pay-legal-fees.shtml>

⁴ See, e.g., *Shipping and Transit, LLC v. Lensdiscounters.com*, Case No. 9:16-cv-80980-RLR (Dkt. Nos. 63, 63-1); see also *Shipping and Transit, LLC v. 1A Auto, Inc.* No. 9:16-cv-81039-BB (Dkt. No. 58, ¶7) (“When I called Mr. Dollard, told me that his client is “broke,” and that they may not have the money to pay our attorney fee award. He said

In addition, should MHM file a complaint against Motiv, we will ask the court to join as parties the individuals behind MHM and/or issue an order making said individuals personally responsible for any sanction or fee award.⁵ As the Honorable Judge Gilstrap rightly noted when ordering the person behind the non-practicing entity, Iris Connex, to pay the defendant's attorney's fees in that matter:

if we assume that Section 285 permits recovery only against the originally named non-prevailing party, then the law has perversely incentivized third parties to act in ways that stand out from established litigation norms. This would foster the very type of litigation that the statute was meant to deter. *See* Dkt. No. 97 (“[H]olding Q Patents alone liable for the acts of Iris Connex would simply encourage others to create shell companies within companies, like Russian nesting dolls, to avoid Section 285 liability”).⁶

As to the merits of your allegations:

A. THE INFRINGEMENT ALLEGATIONS ARE UNFOUNDED

In your letters to my client, you allege infringement of Claim 22. But Motiv's ring cannot possibly infringe Claim 22 (or any other claim of the '648 Patent). Taking Claim 22 as representative:

22. A method for delivering messages in a personal electronic device (PED), comprising:

performing, with the PED, a first electronic based intelligence function;
and

they could try and something together, but he is not sure how collectible it will be. I asked what about the settlements from the hundreds of lawsuits that they had filed, and he said it was simply not there any more, it was not worth berating him about. He said the two guys who bought the Shipping & Transit patents from their original owners, an entity called Melvino/Arrival Star, do not have any more money.”); *See, e.g.*, CA Civ Pro Code § 1030 (2016); *see also* <https://blogs.orrick.com/iplandscape/2017/07/07/unwillingness-of-plaintiff-to-test-merits-of-claims-tests-courts-patience/>; <https://www.eff.org/deeplinks/2017/07/death-knell-tolling-shipping-transit-llc>

⁵ *See, e.g., Iris Connex, LLC v. Dell, Inc.*, 235 F. Supp. 3d 826, 862 (E.D. Tex. 2017).

⁶ *Id.* at 845-46.

performing, with the PED, a second electronic based intelligence function, comprising:

receiving conditions associated with one or more messages, the conditions including a selection condition and an output condition;

sensing a signal in a local environment associated with the PED;

converting the signal to sensed data;

detecting an event, at least in part, by comparing the sensed data with reference data that corresponds to the event;

selecting a message from among the one or more messages based on the at least one selection condition and the event; and

initiating output of the message from the PED in response to the event meeting the output condition.

(’648 Patent, Claim 22, emphasis added.)

In Claim 22, the “a” before “personal electronic device (PED)” is the antecedent basis. The “the PED” language used thereafter refers to the single and same PED referenced in the preamble.⁷ Thus, there is one PED and that one PED performs the

⁷ *Process Control Corp. v. HydReclaim Corp.*, 190 F.3d 1350, 1356-57 (Fed. Cir. 1999) (“It is clear from the language of the claim itself that the term “a discharge rate” in clause [b] is referring to the same rate as the term “the discharge rate” in clause [d]. This conclusion necessarily results from the identical language associated with the term “discharge rate” in both clauses [b] and [d], namely “from the common hopper to the material processing machine.” The presence of that identical language clearly indicates that “a discharge rate” in clause [b] is the same as “the discharge rate” in clause [d], both referring to the rate (in units of weight per unit of time) that material is discharged from the common hopper to the material processing machine. In addition, that conclusion avoids any lack of antecedent basis problem for the occurrence of “the discharge rate” in clause [d].”)

first and send electronic based intelligence function. But, the PED you identify (the Motiv Ring⁸) does not perform any of these claimed operations:

- (1) “use[] computer programming code to allow the user to select health preferences”.
- (2) “select[] a message from among the one or more messages based on the at least one selection condition and the event”; or
- (3) “initiat[] output of the message from the PED in response to the event meeting the output condition.”

Each one of these facts alone defeat infringement and each could have, should have, been obvious upon viewing the operations of and interactions between the Motiv Ring and the App during a proper pre-demand investigation.⁹

B. THE CLAIMS OF THE '648 PATENT ARE INVALID UNDER 35 U.S.C. §§ 102 AND 103 (AND NO REASONABLE ARGUMENT TO THE CONTRARY MAY BE MADE)

The ideas disclosed in the claims of the '648 Patent were well-known prior to January 25, 2012. For example, the NIH did studies on the efficacy of motivational text messaging in 2009.¹⁰ Researchers studied the effect of using motivational text messaging for diabetes treatment in 2011.¹¹ The University of San Diego studied whether motivational text messaging would help people lose weight in 2009.¹² It's frankly hard to imagine maintaining a belief that the ideas in the '648 were novel, as is made clear by these cited studies and the attached invalidity charts.

The assertion of the '648 in light of your knowledge of the above and attached prior art could and should result in an award of attorney's fees should you decide to assert the '648 Patent. *See, e.g., Vehicle Interface Techs., LLC v. Jaguar Land Rover N. Am., LLC*, Civil Action No. 12-1285-RGA, 2015 U.S. Dist. LEXIS 171964, at *14 (D. Del. Dec. 28, 2015) (“I am inclined to think that fees are appropriate from the date VIT had

⁸ Motiv assumes, *arguendo*, that the Ring is the PED (as you have done in your infringement chart), but takes no position now on that argument under a proper claim construction.

⁹ Motiv is not limiting its non-infringement positions to these arguments. These are simply the ones that any reasonable pre-demand investigation would have unearthed.

¹⁰ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2730665/pdf/nihms124613.pdf>

¹¹ <https://www.ncbi.nlm.nih.gov/pubmed/22027326>

¹² <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2729073/>

full notice that its case was objectively baseless in light of the invalidating 2001 Mercedes prior art.”)

C. THE ASSERTED CLAIMS ARE DRAWN TO PATENT INELIGIBLE SUBJECT MATTER

Using Claim 22, *supra*, as a representative claim, as you did in your demand letter, it is clear that the claims are drawn to patent ineligible subject matter. See 35 U.S.C. § 101. Claim 22 is drawn toward, “A method for delivering messages in a personal electronic device (PED).” The Claim contains no specialized architecture, employs generic implements, and contains no inventive step to lift the claims from their abstract subject matter. Under the Section 101 calculus, Claim 22 is indistinguishable from the claims in *Easyweb v. Twitter* wherein the CAFC emphasized, “As we have explained in a number of cases, claims involving data collection, analysis, and publication are directed to an abstract idea.”^{13,14} And in fact, and even though MHM has yet to make any attempt to litigate the ’648 Patent, members of the patent litigation community have already been opining that said patent is clearly patent ineligible:

In our view, if Motivational Health Messaging asserts its patent in court, any defendant that fought back should prevail under *Alice*. Indeed we would hope the court strongly consider awarding attorney’s fees to the defendant in such a case.¹⁵

We believe that the claims of the ’648 patent are clearly invalid under the Supreme Court’s decision in *Alice v. CLS Bank*, which held abstract ideas do not become eligible for a patent merely because they are implemented in conventional computer technology. Indeed, the patent repeatedly emphasizes that the claimed methods are not tied to any particular hardware or software.¹⁶

¹³ *EasyWeb Innovations, LLC v. Twitter, Inc.*, 689 F. App’x 969, 971 (Fed. Cir. 2017).

¹⁴ <http://www.cafc.uscourts.gov/sites/default/files/opinions-orders/16-2066.Opinion.5-10-2017.1.PDF>

¹⁵ <http://techrights.org/2017/12/23/ipwe-and-motivational-health-messaging/>

¹⁶ <https://www.eff.org/deeplinks/2017/12/stupid-patent-month-motivational-health-messaging-llc-gets-patent-sending>

The people who we believe control MHM have had their companies sanctioned, repeatedly, for asserting patents that are clearly invalid under *Alice*.¹⁷ We respectfully ask that you counsel them to make a better decision here.

D. CLAIMS INDISTINGUISHABLE FROM THE CLAIMS OF THE '648 PATENT HAVE BEEN FOUND TO BE INVALID

The USPTO has determined that claims that are indistinguishable from the claims of the '648 Patent are anticipated under 35 U.S.C. § 102 and obvious under § 103.¹⁸ The Examiner rejected all claims in the '359 App, finding that the claims of the '648 Patent and the '359 App were “not patentably distinct” from each other (aka “double patenting”).¹⁹ The Examiner went on to find all claims of the '359 App invalid under Sections 102 and 103. In other words, the Examiner found claims that are indistinguishable from the claims of the '648 Patent to be invalid as anticipated and obvious. The reasonable conclusion to draw from the Examiner’s findings are that the '648 is also invalid as anticipated and obvious. *See* 35 U.S.C. §§ 102, 103.

Your client could have cured the double patenting rejection with a terminal disclaimer and could have attempted to amend its claims to overcome the anticipation and obviousness rejections, but instead your client abandoned the patent application. It is reasonable to conclude that the abandonment of MHM’s patent application implies that your client was aware that any such attempts to revive the '359 App might result in rejections that further undermine the validity of its parent '648 Patent.

Moreover, your client cannot deny knowledge of the above because one of the named inventors also served as the prosecuting attorney for the '359 App and '648 Patent. The claims of the '648 Patent are invalid and your client is imputed with, in fact has, said knowledge.

¹⁷ https://www.eff.org/files/2017/07/07/shipping_transit_llc_v_hall_-_fee_order.pdf; <https://blogs.orrick.com/iplandscape/2017/07/07/unwillingness-of-plaintiff-to-test-merits-of-claims-tests-courts-patience/>

¹⁸ Patent Application No. 14/753,359 (“the '359 App”), January 29, 2016 Non-Final Office Action.

¹⁹ *Id.* at p.4. The Examiner noted that the claims in the '359 App were broader than those in the '648 Patent but Claims of the '648 Patent are not narrowed in a way that avoids the art cited in the '359 App.

E. CONCLUSION

As demonstrated above, Motiv cannot infringe the '648 Patent and your pre-demand investigation should have revealed said facts. Regardless, you are aware of them now.

Further, the '648 Patent is invalid for a myriad of reasons, of which you are now aware.

Although your clients have shown a willingness to assert patents recklessly and in disregard of the facts and established law, we are hopeful that the various recent sanctions against entities created by your clients have proven educational. We trust this resolves the matter as to Motiv and we hope this resolves the matter as to all other potential defendants. Regardless, we hope public disclosure of these materials helps dampen any remaining desire to assert the '648 Patent. Its demonstrably invalid and should not be asserted.

Finally, a word about tone: this letter is strongly worded, and contains more vigor than is usually employed in legal communications. But here the language and tone are intentional. Motiv is a small start-up, with limited resources, working like mad to create something helpful and innovative. Motiv is also a patent holder that respects valid patents. But MHM's patent is neither innovative or valid, and should not be asserted, especially against good companies trying to do good things. And on a personal note, as you (Ed) know, I have repeatedly defended small companies, and the terrified people working for said companies, from S&T. I have seen the harm caused by S&T's business model first-hand. Please counsel your clients to rethink this course.

Rachael D. Lamkin

Rachael
Rachael D. Lamkin
Counsel for Motiv

CERTIFICATE OF SERVICE

On this day, February 1, 2018, I did personally serve the following materials upon Edward Turnbull, agent for Motivational Health Messaging (“MHM”), and upon counsel for MHM, Jean G. Vidal, via electronic mail, via dropbox folder, and via certified mail to Mr. Vidal’s law firm at 221 Ponce de León Avenue, 5th Floor, San Juan, Puerto Rico 00917.

- The above February 1, 2018 correspondence;
- 8 prior art charts for the following references:
 - U.S. Pat. App. Pub. No. US 2005/0107216 to Lee et al. (“Lee”);
 - U.S. Pat. No. 6,251,048 to Kaufman (“Kaufman”);
 - U.S. Pat. App. No. 09/985,389 to Steve (“Steve”);
 - US. Pat. No. 5,228,449 to Christ et al. (“Christ”);
 - U.S. Pat. No. 5,457,284 to Ferguson (“Ferguson”);
 - U.S. Pat. No. 5,577,510 to Chittum et al. (“Chittum”);
 - U.S. Pat. No. 5,149,084 to Dalebout et al. (“Dalebout”); and
 - U.S. Pat. No. 8,825,445 to Hoffman et al. (“Hoffman”)
- materials evidencing the ownership and other interests held in MHM;
- other support materials.

Signed on this day in San Francisco, CA.

Rachael D. Lamkin
