

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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APPLE INC.,  
Petitioner,

v.

SMARTFLASH LLC,  
Patent Owner.

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Case CBM2014-00106  
Case CBM2014-00107  
Patent 8,033,458 B2

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Before JENNIFER S. BISK, RAMA G. ELLURU, NEIL T. POWELL,  
JEREMY M. PLENZLER, and MATTHEW R. CLEMENTS,  
*Administrative Patent Judges.*

PLENZLER, *Administrative Patent Judge.*

DECISION  
Institution of Covered Business Method Patent Review  
*37 C.F.R. § 42.208*

## I. INTRODUCTION

### A. Background

Apple Inc. (“Petitioner”) filed two Petitions to institute covered business method patent review of claims 1, 6–8, 10, and 11 (“challenged claims”) of U.S. Patent No. 8,033,458 B2 (Ex. 1001, “the ’458 patent”) pursuant to § 18 of the Leahy-Smith America Invents Act (“AIA”). CBM2014-00106, Paper 2 (“’106 Pet.”); CBM2014-00107, Paper 2 (“’107 Pet.”).<sup>1</sup> Smartflash LLC (“Patent Owner”) filed a Preliminary Response in each of the two cases. CBM2014-00106, Paper 6 (“’106 Prelim. Resp.”); CBM2014-00107, Paper 6 (“’107 Prelim. Resp.”).<sup>2</sup>

We have jurisdiction under 35 U.S.C. § 324, which provides that a covered business method patent review may not be instituted “unless . . . it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.”

### B. Asserted Grounds of Unpatentability and Evidence of Record

Petitioner contends that the challenged claims are unpatentable under 35 U.S.C. §§ 102 and 103 based on the following grounds (’106 Pet. 21–22, 27–78; ’107 Pet. 22–23, 28–78).

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<sup>1</sup> Exhibit numbers common to both CBM2014-00106 and CBM2014-00107 will not include a case prefix designation.

<sup>2</sup> Patent Owner argues that the multiple petitions filed against the ’458 patent violate the page limit requirement of 37 C.F.R. § 42.24(a)(iii), but does not cite any authority to support its position. ’106 Prelim. Resp. 12-13; ’107 Prelim. Resp. 12–13. The page limit for petitions requesting covered business method patent review is 80 pages (37 C.F.R. § 42.24(a)(iii)), and each of the ’106 and the ’107 Petitions is within that requirement.

References	Basis	Claims Challenged
CBM2014-00106		
Stefik '235 <sup>3</sup> and Stefik '980 <sup>4</sup>	§ 102 <sup>5</sup>	6–8, 10, and 11
Stefik '235 and Stefik '980	§ 103	1, 6–8, 10, and 11
Stefik '235, Stefik '980, and Sato <sup>6</sup>	§ 103	1, 6–8, 10, and 11
Stefik '235, Stefik '980, and Poggio <sup>7</sup>	§ 103	1, 6–8, 10, and 11
Stefik '235, Stefik '980, Poggio, and Sato	§ 103	1, 6–8, 10, and 11
Stefik '235, Stefik '980, Poggio, and Rydbeck <sup>8</sup>	§ 103	1
CBM2014-00107		
Ginter <sup>9</sup>	§ 102	1, 6–8, 10, and 11
Ginter	§ 103	1, 6–8, 10, and 11
Ginter, Stefik '235, and Stefik '980	§ 103	1, 6–8, 10, and 11
Ginter and Sato	§ 103	1, 6–8, 10, and 11

<sup>3</sup> U.S. Patent No. 5,530,235, issued June 25, 1996 (Ex. 1013, “Stefik '235”).

<sup>4</sup> U.S. Patent No. 5,629,980, issued May 13, 1997 (Ex. 1014, “Stefik '980”).

<sup>5</sup> Petitioner contends that Stefik '235 and Stefik '980 should be treated as a single reference and refers to the references collectively as “Stefik.” '106 Pet. 27. Patent Owner disagrees that Stefik '235 and Stefik '980 should be considered as one reference. '106 Prelim. Resp. 14–15. We do not reach this issue, as Petitioner has not shown sufficiently that any of the teachings in either Stefik '235 or Stefik '980 discloses the claimed “use status data” required by claims 6–8, 10, and 11, as discussed below.

<sup>6</sup> JP Patent Application Publication No. H11-164058 (including translation), published June 18, 1999 (Ex. 1018, “Sato”).

<sup>7</sup> EP 0809221 A2, published November 26, 1997 (Ex. 1016, “Poggio”).

<sup>8</sup> WO 99/43136, published August 26, 1999 (Ex. 1017, “Rydbeck”).

<sup>9</sup> U.S. Patent No. 5,915,019, issued June 22, 1999 (Ex. 1115, “Ginter”).

References	Basis	Claims Challenged
Ginter and Poggio	§ 103	1
Ginter, Poggio, Stefik '235, and Stefik '980	§ 103	1
Ginter and Maari <sup>10</sup>	§ 103	8

Petitioner also provides testimony from Anthony J. Wechselberger (“the Wechselberger Declaration”).<sup>11</sup> Ex. 1021; Ex. 1121.

For the reasons given below, we institute a covered business method patent review of challenged claim 1. We deny institution of a covered business method patent review of challenged claims 6–8, 10, and 11.

### *C. Related Matters*

Petitioner indicates that the '458 patent is the subject of the following co-pending federal district court cases: *Smartflash LLC v. Apple Inc.*, 6:13-CV-447 (E.D. TX); and *Smartflash LLC v. Samsung*, 6:13-CV-448 (E.D. TX). '106 Pet. 20; '107 Pet. 21–22.

In addition to the '106 Petition and the '107 Petition, Petitioner has filed the following Petitions for covered business method patent reviews, challenging claims of Patent Owner’s patents disclosing similar subject matter: U.S. Patent Nos. 8,118,221 (CBM2014-00102/103), 8,061,598

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<sup>10</sup> JP Patent Application Publication No. H10-269289 (including translation), published October 9, 1998 (Ex. 1119, “Maari”).

<sup>11</sup> On this record, we are not persuaded by Patent Owner’s argument that we should disregard the Wechselberger Declaration. *See* Prelim. Resp. 17-19. Patent Owner identifies purported omissions from the Declaration, but offers no evidence that Mr. Wechselberger used incorrect criteria, failed to consider evidence, or is not an expert in the appropriate field. *Id.*

(CBM2014-00104/105), 8,061,598 (CBM2014-00108/109), 8,336,772  
(CBM2014-00110/111), and 7,942,317 (CBM2014-00112/113).

*D. The '458 Patent*

The '458 patent is titled “Data Storage and Access Systems,” and is directed to a portable data carrier for storing and paying for data and to computer systems for providing access to the stored data. Ex. 1001, 1:21–23. Figure 9 of the '458 patent, reproduced below, illustrates components of a portable data carrier.

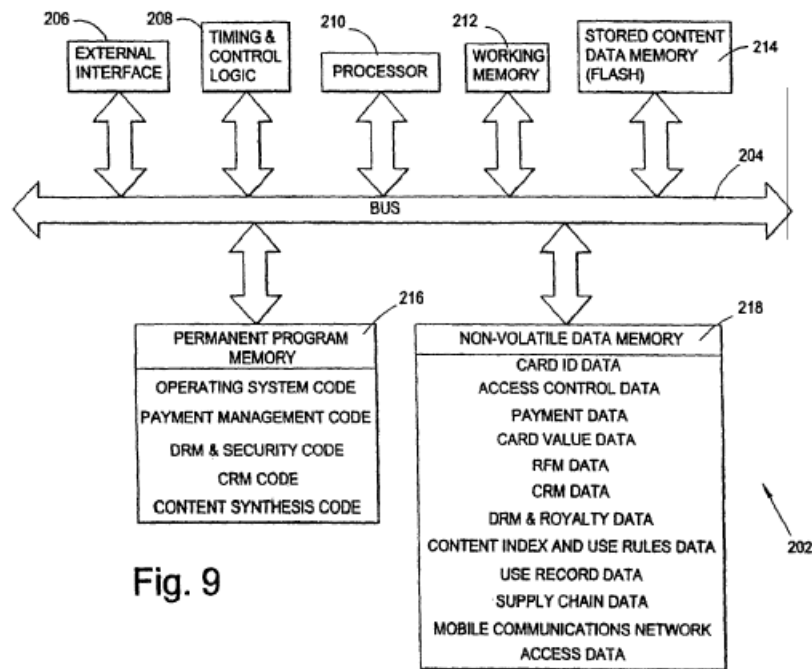


Figure 9 is a schematic diagram of the components of portable data carrier 202. Portable data carrier 202 is shown as a “smart Flash card.” *Id.* at 17:6–8.

The '458 patent explains that portable data carrier 202 includes processor 210, working memory 212, timing and control logic 208, an external interface for reading data from and writing data to portable data

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