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Paper 11
Entered: August 6, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

SMARTFLASH LLC,
Patent Owner.

Case CBM2015-00118
Patent 7,334,720 B2

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

ELLURU, *Administrative Patent Judge*.

DECISION
Institution of Covered Business Method Patent Review and Grant of Motion for Joinder
37 C.F.R. § 42.208
37 C.F.R. § 42.222(b)

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I. INTRODUCTION

Petitioner, Apple Inc. ("Apple"), filed a Petition requesting covered business method patent review of claims 13 and 14 (the "challenged claims") of U.S. Patent No. 7,334,720 (Ex. 1001, "the '720 patent") (Paper 2, "Pet."). On June 1, 2015, Patent Owner, Smartflash LLC ("Smartflash"), filed a Preliminary Response (Paper 7, "Prelim. Resp.").

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."

Concurrently with its Petition, Apple filed a Motion for Joinder (Paper 3, "Mot."), seeking to consolidate this case, under 35 U.S.C. § 325(c), with the covered business method patent review in *Samsung Electronics America, Inc. v. Smartflash, LLC*, Case CBM2014-00190 ("the Samsung CBM"), which was instituted on April 2, 2015. *See* CBM2014-00190 (Paper 9, 18) (instituting review of claims 13 and 14 of the '720 patent under 35 U.S.C. § 101). Smartflash does not oppose Apple's Motion for Joinder. Paper 10, 1.

For the reasons explained below, we institute covered business method patent review of claims 13 and 14 of the '720 patent and grant Apple's Motion for Joinder.

II. INSTITUTION OF COVERED BUSINESS METHOD PATENT REVIEW ON SAME GROUND ASSERTED IN THE SAMSUNG CBM

In view of the identity of the challenge in the instant Petition and that instituted in CBM2014-00190, we determine that it is more likely than not

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that Petitioner will prevail on its challenge that claims 13 and 14 of the '720 patent are unpatentable. We previously have determined that the '720 patent is a "covered business method patent." AIA § 18(d)(1); *see* 37 C.F.R. § 42.301(a); *see also* CBM2014-00104, Paper 9, 8–13 (determining that the '720 patent is eligible for covered business method patent review based on claim 14); CBM2014-00105, Paper 9, 8–13 (determining that the '720 patent is eligible for covered business method patent review based on claim 14); CBM2014-00190, Paper 9, 7–11 (determining that the '720 patent is eligible for covered business method patent review based on claim 14); CBM2014-00196, Paper 9, 7–11 (determining that the '720 patent is eligible for covered business method patent review based on claim 14); CBM2015-00028, Paper 11, 5–10 (determining that the '720 patent is eligible for covered business method patent review based on claim 2); CBM2015-00029, Paper 11, 6–11 (determining that the '720 patent is eligible for covered business method patent review based on claim 14).

Smartflash argues that "Petitioner cites claim 14 as an example of the '720 Patent being a covered business method review in its request that CBM review be instituted," but "claim 14 does not, in fact, meet the requirements for instituting a review." Prelim. Resp. 10. As noted above, however, the '720 patent already has been determined to be a covered business method patent based on claim 14, and Smartflash fails to identify error in that determination. Further, as also noted above, we previously have determined that the '720 patent contains at least one other claim meeting the covered business method patent review requirements (e.g., claim 2). *See* Transitional Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention; Final Rule, 77 Fed.

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Reg. 48,734, 48,736 (Aug. 14, 2012) ("CBM Rules") (Comment 8) (a patent need have only one claim directed to a covered business method to be eligible for review).

Here, Apple challenges the same claims (claims 13 and 14), based upon the same ground, 35 U.S.C. § 101, for which covered business method patent review was instituted in the Samsung CBM. Pet 14–29; Mot. 8. We have reviewed the Preliminary Response presented by Smartflash and are not persuaded that we should deny institution in this proceeding. In its Preliminary Response, Smartflash does not attempt to rebut Apple's contentions regarding the unpatentability of claims 13 and 14 under 35 U.S.C. § 101. Rather, Smartflash argues that the Petition should be denied because it disregards the Board's exercise of discretion under 35 U.S.C. § 325(d) to decline to institute CBM patent review in CBM2015-00029 (Prelim. Resp. 4–6) and "would be contrary to the PTAB's mandate" of securing the just, speedy, and inexpensive "resolution of the issues surrounding the '720 patent" (*id.* at 7). These arguments are not persuasive.

We declined to institute CBM review of claim 13 and 14 in CBM-00029 because claims 13 and 14 because we had already instituted review of these claims on § 101 grounds in the Samsung CBM (CBM2015-00029, Paper 11, 15). In its Motion for Joinder, Apple requests that it

> be permitted to join the Samsung CBM proceedings to ensure that the earlier proceeding on claims 13 and 14 proceeds through to a final written decision regardless of whether Samsung seeks to terminate its involved in CBM2014-000190 (e.g., as a result of settlement).

Mot. 7–8. Apple notes that in this proceeding, the "petition does not assert any new grounds of unpatentability. It involves the same '720 patent and—

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as discussed above—the same arguments, evidence and grounds of unpatentability as the Board instituted in CBM2014-00190." *Id.* at 8. Apple further states that "[a]lthough it otherwise presents the same arguments as the Samsung CBM Petition, the Apple Petition here removes grounds on which the Board did not institute in CBM2014-00190, and Apple does not assert those grounds in its concurrently filed petition." *Id.* Apple further notes that it has "re-filed the same expert declaration submitted by Samsung, and so this declaration contains no material that is not already in the previously-filed declaration" and "a second deposition of a second expert is not necessary." *Id.* at 8–9.

Based on the specific facts of this case, we institute a covered business method patent review in this proceeding on the same ground, namely under 35 U.S.C. § 101, as that on which we instituted in the Samsung CBM for claims 13 and 14 of the '720 patent. We do not institute a covered business method patent review on any other ground.

III. GRANT OF MOTION FOR JOINDER

As noted above, Smartflash does not oppose Apple's request to consolidate this Petition with the Samsung CBM. Paper 10, 1.

As noted above, the only ground upon which we institute a covered business method patent review in this proceeding is the challenge to claims 13 and 14 of the '720 patent based on 35 U.S.C. § 101. Apple, thus, does not assert any new ground of unpatentability that is not already being considered in the Samsung CBM. Mot. 8. Further, as noted above, Apple represents that the Petition includes the same arguments and relies on the same evidence and grounds of unpatentability that were the basis for the Board's decision to institute trial in the Samsung CBM. *Id.* at 8–9.

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