

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS AMERICA, INC., and SAMSUNG
ELECTRONICS CO., LTD.,
Petitioners,

And

APPLE INC.,
Petitioner,

v.

SMARTFLASH LLC,
Patent Owner.

Case CBM2014-00190¹
Patent 7,334,720 B2

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

DECISION
Denying Patent Owner's Request for Rehearing
37 C.F.R. § 42.71

¹ CBM2015-00118 (U.S. Patent 7,334,720 B2) was consolidated with this proceeding. Paper 31, 6–7.

INTRODUCTION

Petitioners, Samsung Electronics America, Inc., Samsung Electronics Co., Ltd., and Samsung Telecommunications America, LLC (“Samsung”),² filed a Corrected Petition to institute covered business method patent review of claims 13 and 14 of U.S. Patent No. 7,334,720 B2 (Ex. 1001, “the ’720 patent”) pursuant to § 18 of the Leahy-Smith America Invents Act (“AIA”).³ Paper 4 (“Pet.”). On April 2, 2015, we instituted a covered business method patent review (Paper 9, “Institution Decision” or “Inst. Dec.”) based upon Samsung’s assertion that claims 13 and 14 are directed to patent ineligible subject matter under 35 U.S.C. § 101. Inst. Dec. 18. Subsequent to institution, Smartflash filed a Patent Owner Response (Paper 23, “PO Resp.”), and Samsung filed a Reply (Paper 30, “Pet. Reply”) to Patent Owner’s Response. We consolidated Apple Inc.’s (“Apple”) challenge to claims 13 and 14 of the ’720 patent with this proceeding. Paper 31; *Apple Inc. v. Smartflash LLC*, Case CBM2015-00118 (Paper 11) (PTAB Aug. 6, 2015).

In our Final Decision, we determined that Petitioners had established, by a preponderance of the evidence, that claims 13 and 14 of the ’720 patent are unpatentable. Paper 47 (“Final Dec.”), 3, 30. Smartflash requests rehearing of the Final Decision. Paper 49 (“Request” or “Req. Reh’g”). Subsequent to its Rehearing Request, Smartflash, with authorization, filed a Notice of Supplemental Authority. Paper 50 (“Notice”). Petitioners filed a

² Samsung Telecommunications America, LLC, a petitioner at the time of filing, merged with and into Samsung Electronics America, Inc. as of January 1, 2015. Paper 8.

³ Pub. L. No. 112-29, 125 Stat. 284, 296–07 (2011).

CBM2014-00190
Patent 7,334,720 B2

Response to Smartflash’s Notice. Paper 51 (“Notice Resp.”). Having considered Patent Owner’s Request, we decline to modify our Final Decision.

STANDARD OF REVIEW

In covered business method patent review, the petitioner has the burden of showing unpatentability by a preponderance of the evidence. 35 U.S.C. § 326(e). The standard of review for rehearing requests is set forth in 37 C.F.R. § 42.71(d), which states:

The burden of showing a decision should be modified lies with the party challenging the decision. The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.

ANALYSIS

Smartflash’s Request is based on a disagreement with our determination that claims 13 and 14 (“the challenged claims”) are directed to patent-ineligible subject matter. Req. Reh’g 5. In its Request, Smartflash presents arguments directed to alleged similarities between the challenged claims and those at issue in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014) (Req. Reh’g 5–10) and *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327 (Fed. Cir. 2016), and alleged differences between the challenged claims and those at issue in *Alice Corp. Pty. Ltd. v. CLS Bank Int’l.*, 134 S. Ct. 2347 (2014) (*id.* at 10–15).

As noted above, our rules require that the requesting party “specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was

previously addressed in a motion, an opposition, or a reply.” 37 C.F.R. § 42.71(d) (emphasis added). In its Request, however, Smartflash does not identify any specific matter that we misapprehended or overlooked. Rather, the only citation to Smartflash’s previous arguments are general citations, without explanation as to how we misapprehended or overlooked any particular matter in the record. For example, with respect to Smartflash’s arguments regarding *DDR Holdings*, Smartflash simply notes that “[p]ursuant to 37 C.F.R. § 42.71(d), whether the challenged claims were similar to those in *DDR Holdings* was previously addressed. See PO Resp. 11-20.” Request 7 n.3. Similarly, in Smartflash’s arguments regarding *Alice*, Smartflash simply notes that “[p]ursuant to 37 C.F.R. § 42.71(d), the issue of whether the claims are directed to patent eligible subject matter was previously addressed. See PO Resp. 11-33.” (*id.* at 11 n.4) and “[p]ursuant to 37 C.F.R. § 42.71(d), the issue of whether the challenged claims contain ‘additional features’ beyond an abstract idea was previously addressed. See PO Resp. 17, 20” (*id.* at 13 n.5). These generic citations to large portions of the record do not identify, with any particularity, specific arguments that we may have misapprehended or overlooked.

Rather than providing a proper request for rehearing, addressing particular matters that we previously misapprehended or overlooked, Smartflash’s Request provides new briefing by expounding on argument already made. Smartflash cannot simply allege that an “issue” (e.g., whether the claims are directed to an abstract idea) was previously addressed, generally, and proceed to present new argument on that issue in a request for rehearing. See 37 C.F.R. § 42.71.

Smartflash’s arguments are either new or were addressed in our Final Decision. For example, Smartflash’s argument that the challenged claims are not directed to an abstract idea (Req. Reh’g 11–13) is new, and therefore, improper in a request for rehearing, because Smartflash did not argue the first step of the analysis articulated in *Mayo* and *Alice* in its Patent Owner Response. *See* PO Resp. 11–24; *see also* Paper 46 (transcript of oral hearing), 17:9–14 (Smartflash stating that “even if Patent Owner says nothing about [abstract idea], it is still the Petitioner’s burden to prove that the claims are directed to an abstract idea.”).

To the extent portions of the Request are supported by Smartflash’s argument in the general citations to the record, we considered those arguments in our Final Decision, as even Patent Owner acknowledges. *See, e.g.*, Req. Reh’g 7 (citing Final Dec. 16) (“The Board rejected Patent Owner’s reliance on *DDR Holdings* (at 16), holding that the challenged claims were not ‘rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks.’”).

For example, Smartflash’s arguments about inventive concept (Req. Reh’g 5–7, 11–15) were addressed at pages 10–20 of our Final Decision, Smartflash’s arguments about preemption (Req. Reh’g. 6–7) were addressed at pages 20–22 of our Final Decision, and Smartflash’s arguments about *DDR Holdings* (Req. Reh’g. 6–10) were addressed at pages 14–18 of our Final Decision. Mere disagreement with our Final Decision also is not a proper basis for rehearing. Accordingly, Smartflash’s Request does not apprise us of sufficient reason to modify our Final Decision.

Smartflash’s Notice of Supplemental Authority also does not alter the determination in our Final Decision. Smartflash characterized the Federal

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