Trials@uspto.gov
Tel: 571-272-7822

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 CBM2015-00119
Patent 8,033,458 B2

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

PLENZLER, *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)

I. INTRODUCTION

Petitioner, Apple Inc. ("Apple"), filed a Petition requesting covered business method patent review of claim 11 (the "challenged claim") of U.S. Patent No. 8,033,458 (Ex. 1001, "the '458 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. and Samsung Electronics Co., Ltd. v. Smartflash, LLC*, Case CBM2014-00192 ("the Samsung CBM"), which was instituted on April 2, 2015. *See* CBM2014-00192 (Paper 7, 19) (instituting review of claim 11 of the '458 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 claim 11 of the '458 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 CBM2014-00192, we determine that it is more likely than not

that Petitioner will prevail on its challenge that claim 11 of the '458 patent is unpatentable. We previously have determined that the '458 patent is a "covered business method patent." AIA § 18(d)(1); *see* 37 C.F.R. § 42.301(a); *see also* CBM2014-00192, Paper 7, 7–12 (determining that the '458 patent is eligible for covered business method patent review based on claim 11); CBM2014-00106, Paper 8, 9–13 (determining that the '458 patent is eligible for covered business method patent review based on claim 1); CBM2015-00016, Paper 23, 12–16 (determining that the '458 patent is eligible for covered business method patent review based on claim 1).

Smartflash argues that "Petitioner has cited claim 11 as being the basis for requesting that a covered business method review be instituted," but "claim 11 does not, in fact, meet the requirements for instituting a review." Prelim. Resp. 8. As noted above, however, the '458 patent already has been determined to be a covered business method patent based on claim 11, and Smartflash fails to identify error in that determination. Further, as also noted above, we previously have determined that the '458 patent contains at least one other claim meeting the covered business method patent review requirements (e.g., claim 1). *See* Transitional Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention; Final Rule, 77 Fed. 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 claim (claim 11), based upon the same ground, 35 U.S.C. § 101, for which covered business method patent review was instituted in the Samsung CBM. Pet 14–31; Mot. 8–9. 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 claim 11 under 35 U.S.C. § 101. Rather, Smartflash argues that the Petition should be denied because it "disregards the Board's exercise of discretion in CBM2015-00016" (Prelim. Resp. 4) and "would be contrary to the PTAB's mandate" of securing the just, speedy, and inexpensive resolution of every proceeding (*id.* at 5). These arguments are not persuasive.

As Apple notes (Mot. 7–8), we declined to institute CBM review of claim 11 in CBM2015-00016 because we had already instituted review of that claim on § 101 grounds in the Samsung CBM (CBM2015-00016, Paper 23, 20). In its Motion for Joinder, Apple requests that it

> be permitted to join these proceedings to ensure that, even if Samsung should seek to terminate its involvement in CBM2014-00192 (*e.g.*, as a result of settlement), Apple would be able to see the § 101 challenge to claim 11 through to a final written decision, since it was not permitted to do so in CBM2015-00016.

Mot. 8. Apple notes that in this proceeding, the "petition does not assert any new grounds of unpatentability. It involves the same '458 patent and—as discussed above—the same arguments, evidence and grounds of unpatentability as the Board instituted in CBM2014-00192." *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 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 claim 11 of the '458 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 claim 11 of the '458 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.

Under the circumstances, we conclude Apple has demonstrated that consolidation of the two cases will not unduly complicate or delay the Samsung CBM, and therefore, we grant Apple's Motion for Joinder to consolidate this proceeding with the Samsung CBM. All filings in the consolidated proceeding will be made by Samsung Electronics America, Inc., and Samsung Electronics Co., Ltd. ("Samsung") on behalf of Samsung and Apple. Apple shall not file any separate papers or briefing in these consolidated proceedings without authorization from the Board. In addition, Apple shall not seek any additional discovery beyond that sought by Samsung.

Samsung and Apple shall resolve any disputes between them concerning the conduct of the consolidated proceedings and contact the

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