UNITED STATES PATENT AND TRADEMARK OFFICE

_____

BEFORE THE PATENT TRIAL AND APPEAL BOARD

_____

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

Petitioner,

v.

SMARTFLASH LLC,
Patent Owner.

_____

Case CBM2014-00200
Patent 8,336,772 B2

_____

Before JENNIFER S. BISK, RAMA G. ELLURU, GREGG I.
ANDERSON, MATTHEW R. CLEMENTS, and PETER P. CHEN,
Administrative Patent Judges.

ANDERSON, *Administrative Patent Judge*.

DECISION

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

I. INTRODUCTION

A. Background

Samsung Electronics America, Inc. and Samsung Electronics Co., Ltd.[1] ("Petitioner"), filed a Corrected Petition (Paper 4, "Pet.") to institute a covered business method patent review of claims 5, 10, 14, 26, and 32 of U.S. Patent No. 8,336,772 B2 (Ex. 1001, "the '772 patent") pursuant to § 18 of the Leahy-Smith America Invents Act ("AIA").[2] Smartflash LLC ("Patent Owner"), 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."

After considering the Petition and Preliminary Response, we determine that the '772 patent is a covered business method patent. We further determine, however, that Petitioner has not demonstrated that it is more likely than not that at least one of the challenged claims is unpatentable. Therefore, we deny institution of a covered business method patent review of claims 5, 10, 14, 26, and 32 of the '772 patent.

---

[1] Petitioner provided in its updated mandatory notice that "Samsung Electronics America, Inc., and Samsung Electronics Co., Ltd. are now the real-parties-in-interest in this Covered Business Method Review. Samsung Telecommunications America, LLC, ("STA") originally a Petitioner and real-party-in-interest at the time of filing the Petition requesting Covered Business Method Review, has merged with and into Petitioner Samsung Electronics America, Inc. as of January 1, 2015, and therefore STA no longer exists as a separate corporate entity." Paper 8, 2.
[2] Pub. L. No. 112-29, 125 Stat. 284, 296–07 (2011).

B. Asserted Grounds

Petitioner contends that the challenged claims are unpatentable under 35 U.S.C. § 102 as anticipated by Ginter[3] (Pet. 4, 26–80). Petitioner also provides a declaration from Dr. Jeffrey A. Bloom ("the Bloom Declaration"). Ex. 1003.

C. Related Matters

Petitioner indicates that the '722 patent is the subject of the following co-pending district court cases: *Smartflash LLC v. Apple, Inc.*, Case No. 6:13-cv-447 (E.D. Tex.); and *Smartflash LLC v. Samsung Electronics Co.*, Case No. 6:13-cv-448 (E.D. Tex.). Pet. 1; Paper 5. Patent Owner also indicates that the '772 patent is the subject of a third district court case: *Smartflash LLC v. Google, Inc.*, Case No. 6:14-cv-435 (E.D. Tex.). Paper 5, 3. Petitioner further asserts that patents claiming priority back to a common series of applications are currently the subject of CBM2014-00102, CBM2014-00106, CBM2014-00108, and CBM2014-00112, filed by Apple Inc. *See* Paper 5, 2. Petitioner further advises us that Apple Inc. also filed petitions for covered business method patent review of the '772 patent: CBM2014-00110 and CBM2014-00111. Pet. 2.

Petitioner filed a concurrent petition for covered business method patent review of the '772 patent: CBM2014-00204 ("the 204 Petition").[4]

---

[3] U.S. Patent No. 5,915,019 (Ex. 1023) ("Ginter").

[4] Patent Owner argues that the multiple petitions filed against the '772 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. Prelim. Resp. 10–12. 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 '200 and '204 Petitions meets that requirement.

In addition, Petitioner filed eight other Petitions for covered business method patent review challenging claims of other patents owned by Patent Owner and disclosing similar subject matter: CBM2014-00190; CBM2014-00192; CBM2014-00193; CBM2014-00194; CBM2014-00196; CBM2014-00197; CBM2014-00198; and CBM2014-00199.

D. The '772 Patent

The '772 patent relates to "a portable data carrier for storing and paying for data and to computer systems for providing access to data to be stored" and the "corresponding methods and computer programs." Ex. 1001, 1:24–28. Owners of proprietary data, especially audio recordings, have an urgent need to address the prevalence of "data pirates," who make proprietary data available over the internet without authorization. *Id*. at 1:32–58. The '772 patent describes providing portable data storage together with a means for conditioning access to that data upon validated payment. *Id.* at 1:62–2:3. According to the '772 patent, this combination of the payment validation means with the data storage means allows data owners to make their data available over the internet without fear of data pirates. *Id.* at 2:10–18.

As described, the portable data storage device is connected to a terminal for internet access. *Id.* at 1:62–2:3. The terminal reads payment information, validates that information, and downloads data into the portable storage device from a data supplier. *Id.* The data on the portable storage device can be retrieved and output from a mobile device. *Id.* at 2:4–7. The '772 patent makes clear that the actual implementation of these components is not critical and the alleged invention may be implemented in many ways. *See, e.g.*, *id.* at 25:59–62 ("The skilled person will understand

that many variants to the system are possible and the invention is not limited to the described embodiments.").

E. Illustrative Claim

Petitioner challenges claims 5, 10, 14, 26, and 32 of the '772 patent. Claim 14 is an independent claim; claim 5 depends from claim 1; claim 10 depends from claim 8; claim 26 depends from claim 25; and claim 32 depends from claim 30. Claim 1 is illustrative of the challenged claims and is reproduced below.

    1.   A handheld multimedia terminal, comprising:

a wireless interface configured to interface with a wireless network for accessing a remote computer system;

non-volatile memory configured to store multimedia content, wherein said multimedia content comprises one or more of music data, video data and computer game data;

a program store storing processor control code;

a processor coupled to said non-volatile memory, said program store, said wireless interface and

a user interface to allow a user to select and play said multimedia content;

a display for displaying one or both of said played multimedia content and data relating to said played multimedia content;

wherein the processor control code comprises:

code to request identifier data identifying one or more items of multimedia content stored in the non-volatile memory;

code to receive said identifier data;

code to present to a user on said display said identified one or more items of multimedia content available from the non-volatile memory;

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.

fastcase
Smarter legal research.