

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,

Petitioner

v.

SMARTFLASH LLC

Patent Owner

Case CBM2015-00015

Patent 8,118,221

PATENT OWNER'S PRELIMINARY RESPONSE

TABLE OF CONTENTS

PATENT OWNER’S LIST OF EXHIBITS	ii
I. INTRODUCTION	1
II. OVERVIEW OF U.S. PATENT NO. 8,118,221	3
III. THE CHALLENGED CLAIMS ARE NOT DIRECTED TO A FINANCIAL PRODUCT OR SERVICE.....	5
IV. THE CHALLENGED CLAIMS OF THE ‘221 PATENT ARE TECHNOLOGICAL INVENTIONS EXEMPT FROM CBM REVIEW	10
V. APPLE’S UNTIMELY § 101 CHALLENGE WILL NOT SECURE THE JUST, SPEEDY, AND INEXPENSIVE RESOLUTION OF THE ISSUES SURROUNDING THE ‘221 PATENT.....	12
VI. APPLE’S § 103 OBVIOUSNESS CHALLENGES RAISE SUBSTANTIALLY THE SAME PRIOR ART AND ARGUMENTS PREVIOUSLY PRESENTED.....	15
VII. STEFIK ‘235 and STEFIK ‘980 ARE NOT A SINGLE REFERENCE	20
VIII. CONCLUSION.....	23

PATENT OWNER'S LIST OF EXHIBITS

Exhibit Number	Exhibit Description
2001	Redline Showing "Corrected Petition" Compared to Original Petition in CBM2015-00015
2002	Reserved
2003	Reserved
2004	Congressional Record - House, June 23, 2011, H4480-4505
2005	Congressional Record - Senate, Sep. 8, 2011, S5402-5443

Pursuant to 37 C.F.R. § 42.107, Smartflash LLC (“Patent Owner”) files this preliminary response to the corrected petition, setting forth reasons why no new covered business method review of U.S. Patent 8,118,221 should be instituted as requested by Apple, Inc. (“Apple” or “Petitioner”). Arguments presented herein are presented without prejudice to presenting additional arguments in a later response should the Board institute a CBM review.

I. INTRODUCTION

Petitioner Apple seeks covered business method (CBM) review of claims 1, 2, 11, and 32 of U.S. Patent No. 8,118,221 (“the ‘221 Patent”). Paper 9 at 1 (“Corrected Petition”). On March 28, 2014, Apple filed two earlier petitions, in CBM2014-00102 and -00103, also seeking CBM review of claims 1, 2, 11, and 32 of the ‘221 Patent, among others. The PTAB granted review of claims 1, 2, and 11 (among others) on 35 U.S.C. § 103 obviousness grounds. *Apple Inc. v. Smartflash LLC*, Cases CBM2014-00102 and -00103, Paper 8 at 24 (PTAB September 30, 2014) (hereinafter “00102/00103 Institution Decision”). However, the PTAB denied review of claim 32. *Id.* at 14-15 and 22-23.

In the instant petition, Apple raises for the first time a 35 U.S.C. § 101 statutory subject matter challenge to claims 1, 2, 11, and 32. Corrected Petition at 1, 18. Apple also re-raises § 103 obviousness challenges to claim 32, relying on

five pieces of prior art: three of which (Stefik '235, Stefik '980, and Poggio) are the same prior art raised in CBM2014-00102 and -00103; and two of which (Kopp and Smith) are “additional prior art” Apple “now identifies” “in light of the Board’s Decision.” Corrected Petition at 2. However, Apple does not allege that such additional references were not known or available to it when it filed its earlier petitions.

As the Board has already correctly noted about the Corrected Petition and other petitions filed in 2014 on the same patent family, “[t]he 2015 set of petitions assert substantially overlapping arguments and prior art as asserted in the 2014 set of petitions, as well as challenges pursuant to 35 U.S.C. § 101, which raise purely legal issues.” CBM2015-00015, Paper 6 at 2. The Board should deny review of claims 1, 2, 11, and 32 on Apple’s § 101 unpatentable subject matter grounds set forth in the Corrected Petition because Apple’s purely legal challenge is untimely and thus does not “secure the just, speedy, and inexpensive resolution” of the Board’s proceedings reviewing the ‘221 Patent claims. 37 C.F.R. § 42.1(b). The Board should also deny review of claim 32 on Apple’s § 103 obviousness grounds because the Corrected Petition “raises substantially the same prior art or arguments previously presented” and rejected by the Board in CBM2014-00102 and -00103. See, *Unilever, Inc. v. The Proctor & Gamble Company*, Case IPR2014-00506, Paper 17 at 6 (PTAB July 7, 2014)(Decision, Denying Institution of *Inter Partes*

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.