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Paper 51, CBM2015-00015
Paper 39, CBM2015-00018
Entered: December 8, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

SMARTFLASH LLC,
Patent Owner.

CBM2015-00015 (Patent 8,118,221 B2)
CBM2015-00018 (Patent 7,942,317 B2) [1]

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

ELLURU, *Administrative Patent Judge*.

ORDER
Denying Rehearing Request
37 C.F.R. § 42.71(d)

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[1] This order addresses issues that are the same in all identified cases. We exercise our discretion to issue one order to be filed in each case. The parties, however, are not authorized to use this style heading in subsequent papers, except the filing of the transcript for this teleconference.

I. INTRODUCTION

Patent Owner, Smartflash LLC ("Smartflash"), requests rehearing under 37 C.F.R. § 42.71(d) of the Board's November 5, 2015 Order ("Dec.," Paper 37[2]). Paper 38 ("Mot."). Smartflash also requests authorization to file a motion to terminate CBM2015-00015 and CBM2015-00018. *Id*. at 1. In the alternative, Smartflash requests that it be granted an oral hearing in CBM2015-00015 and CBM2015-00018. *Id*.

In our Order, we determined that 35 U.S.C. § 325(e)(1) is applicable to Apple with respect to claim 1 of U.S. Patent No. 8,118,221 ("the '221 patent") in CBM2015-00015 because Apple was the Petitioner in CBM2014-00102, which resulted in a final written decision with respect to claim 1 of the '221 patent. Dec. 3. We likewise determined that § 325(e)(1) is applicable to Apple with respect to claim 18 of U.S. Patent No. 7,942,317 ("the '317 patent") in CBM2015-00018 because Apple was the Petitioner in CBM2014-00112, which resulted in a final written decision with respect to claim 18 of the '317 patent. *Id*. at 7. Because we determined that Apple "reasonably could have raised" a 35 U.S.C. § 101 challenge to these claims in its CBM2014-00102 and CBM2014-00112 petitions and because claims 1 and 18 were the only claims challenged in CBM2015-00015 and CBM2015-00018, respectively, we dismissed Apple as a Petitioner from CBM2015-00015 and CBM2015-00018. *Id*. at 4–5, 7. We further stated that because Apple is the only Petitioner in these cases, we would not hear any argument

[2] References are to paper numbers in CBM2015-00018, unless otherwise specified.

with respect to these cases at the November 9, 2015, hearing.[3] *Id*. at 5 n.3, 7–8 n.6. Lastly, we denied Smartflash authorization to file a motion to terminate CBM2015-00015, noting that § 325(e)(1) does not proscribe actions that we may take. *Id*. at 5–6[4] (citing *Progressive Cas. Ins. Co. v. Liberty Mut. Ins. Co.*, No. 2014-1466, 2015 WL 5004949, at *2 (Fed. Cir. Aug. 24, 2015) (nonprecedential).

II. ANAYLSIS

The applicable standard for a request for rehearing is set forth in 37 C.F.R. § 42.71(d), which provides in relevant part:

> A party dissatisfied with a decision may file a request for rehearing without prior authorization from the Board. 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, opposition, or a reply.

We deny Smartflash's request for rehearing of our Order and its request for authorization to file a motion to terminate these cases. However, we grant Smartflash's request for a hearing in CBM2015-00015 and CBM2015-00018, as discussed below.

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[3] Notwithstanding our Order, we gave Smartflash the opportunity to provide argument in CBM2015-00015 and CBM2015-00018 at the November 9, 2015 hearing. Smartflash, however, declined to make argument with respect to the two claims in these two cases. Mot. 13.

[4] As Smartflash notes, we requested briefing in CBM2015-00015 on whether Apple was estopped, but did not request such briefing in CBM2015-00018. Mot. 2.

Smartflash first argues that we misapprehend the decision in *Progressive* because that case was limited to the facts presented in that case. According to Smartflash, the Federal Circuit's holding that "§ 325(e)(1) by its terms does not prohibit the Board from reaching decisions" is limited to Progressive's argument in that case for the "instantaneous application" of § 325(e)(1) to bar the Board from entering a second decision posted to its electronic docketing system just an hour after, but the same day as, it posted a first decision on the same patent involving overlapping claims. Mot. 7; *see Progressive*, 2015 WL 5004949, at *1–2. We disagree. The Federal Circuit expressly stated that "[t]here are two problems with Progressive's contention." 2015 WL 5004949, at *2. With respect to the first "problem" the Federal Circuit stated:

> First: *§ 325(e)(1) by its terms does not prohibit the Board from reaching decisions*. It *limits only certain (requesting or maintaining) actions by a petitioner*. Nothing in the provision, or chapter 32 more generally, equates that limitation on a petitioner *with Board authority to enter a decision*. *Cf.* § 327(a) (Board may enter decision even after petitioner settles and drops out of the proceeding).

Id. (emphasis added). We determine that this reasoning is persuasive to guide our analysis of the facts presented here.

Smartflash next argues that our Order is inconsistent with the Board's decision in *International Business Machines Corp. v. Intellectual Ventures II, LLC*, Case IPR2014-01465 (PTAB Nov. 6, 2015) (Paper 32) ("IBM case"). Again, we disagree. The decision in the IBM case, after determining that the Petitioner was estopped, acknowledged that "§ 315(e)(1) *does not mandate* that the Board

reach a final written decision." *Id*. at 9 (emphasis added). After consideration of the "totality of the circumstances," the decision stated that it was appropriate to terminate the proceeding at issue. *Id*.

Smartflash's request for leave to file a Motion to Terminate is denied for the reasons previously set forth in our Estoppel Order. *See* Paper 37, 5–6.

Lastly, Smartflash requests oral hearing in CBM2015-00015 and CBM2015-00018 should we deny its requests for authorization to file motions to terminate. Mot. 13–14. We grant Smartflash's requests for oral hearing in these two cases. The oral hearing will be conducted via teleconference. The Board will provide a court reporter on the call. The oral hearing will be limited to fifteen minutes total for both cases given that only one claim is at issue in each case. Because Apple Inc. was dismissed from these cases as Petitioner, Apple will not be permitted to participate in the hearing. By December 11, 2015, Smartflash shall provide at least three different dates and times between December 14–16 when it is available for the hearing.

It is:

ORDERED that Smartflash's request for rehearing of our Order is denied;

FURTHER ORDERED that Smartflash's request for authorization to file motions to terminate in CBM2015-00015 and CBM2015-00018 is denied;

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