

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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APPLE INC.,<sup>1</sup>  
Petitioner,

v.

SMARTFLASH LLC,  
Patent Owner.

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Case CBM2015-00017  
Patent 8,061,598 B2

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

CLEMENTS, *Administrative Patent Judge.*

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

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<sup>1</sup> Apple has been dismissed as a Petitioner. Paper 49, 8.

## INTRODUCTION

Apple Inc. (“Petitioner”), filed a Corrected Petition to institute covered business method patent review of claims 1, 2, 7, 15, and 31 of U.S. Patent No. 8,061,598 B2 (Ex. 1201, “the ’598 patent”) pursuant to § 18 of the Leahy-Smith America Invents Act (“AIA”). Paper 9 (“Pet.”). We instituted a covered business method patent review (Paper 22, “Institution Decision” or “Inst. Dec.”) based upon Petitioner’s assertion that claims 1, 2, 15, and 31 (“the challenged claims”) are directed to patent ineligible subject matter under 35 U.S.C. § 101. Inst. Dec. 19. Because we had already instituted a review of claim 7 under § 101 in CBM2014-00193, we declined to institute a review of claim 7 under this ground in this case. *Id.* at 16.

Subsequent to institution, Smartflash LLC (“Patent Owner”) filed a Patent Owner Response (Paper 32, “PO Resp.”) and Petitioner filed a Reply (Paper 34, “Pet. Reply”) to Patent Owner’s Response.

In our Final Decision, we determined that Petitioner had established, by a preponderance of the evidence, that claims 1, 2, 15, and 31 of the ’598 patent are unpatentable. Paper 46 (“Final Dec.”), 26.

Patent Owner requests rehearing of the Final Decision. Paper 48 (“Request” or “Req. Reh’g”). Having considered Patent Owner’s Request, we decline to modify our Final Decision.

## STANDARD OF REVIEW

In covered business method 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

Patent Owner's Request is based on a disagreement with our determination that claims 1, 2, and 15 ("the challenged claims") are directed to patent-ineligible subject matter.<sup>2</sup> Req. Reh'g 2. In its Request, Patent Owner 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 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, Patent Owner does not identify any specific matter that we misapprehended or overlooked. Rather, the only citation to Patent Owner'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 Patent Owner's arguments regarding *DDR Holdings*, Patent Owner simply notes that "[p]ursuant to 37 C.F.R. § 42.71(d), the issue of whether the challenged claims were similar to those in *DDR Holdings* was previously addressed. See PO Resp. 1, 10–12." Request 7 n.3. Similarly, in Patent Owner's

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<sup>2</sup> Patent Owner does not seek rehearing with respect to claim 31.

arguments regarding *Alice*, Patent Owner simply notes that “[p]ursuant to 37 C.F.R. § 42.71(d), the issue of whether the claims are abstract ideas was previously addressed. *See* PO Resp. 10–22; *see also* Tr. 46:21–47:11” (*id.* at 10 n.5) 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. 11–12” (*id.* at 12 n.7). 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, Patent Owner’s Request provides new briefing by expounding on argument already made. Patent Owner 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.

Patent Owner’s arguments are either new or were addressed in our Final Decision. For example, Patent Owner’s argument that the challenged claims are not directed to an abstract idea (Req. Reh’g 10–12) is new, and therefore, improper in a request for rehearing, because Patent Owner did not argue the first step of the analysis articulated in *Mayo* and *Alice* in its Patent Owner Response (*see* Paper 32 (PO Resp.) *passim* (arguing only the second step of the *Mayo* and *Alice* test)). To the extent portions of the Request are supported by Patent Owner’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 6–7 (citing Final Dec. 15) (“The Board

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rejected Patent Owner’s reliance on *DDR Holdings* (at 15), 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, Patent Owner’s arguments about inventive concept (Req. Reh’g 5–6, 12–15) were addressed at pages 9–12 and 16–18 of our Final Decision, Patent Owner’s arguments about preemption (Req. Reh’g. 6) were addressed at pages 18–20 of our Final Decision, and Patent Owner’s arguments about *DDR Holdings* (Req. Reh’g. 6–10) were addressed at pages 12–16 of our Final Decision. Mere disagreement with our Final Decision also is not a proper basis for rehearing.

Accordingly, Patent Owner’s Request does not apprise us of sufficient reason to modify our Final Decision.

#### ORDER

Accordingly, it is:

ORDERED that Patent Owner’s Request is *denied*.

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