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Paper 22, CBM2015-00028
Paper 22, CBM2015-00029
Paper 22, CBM2015-00031
Paper 22, CBM2015-00032
Paper 22, CBM2015-00033
Entered: July 24, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

SMARTFLASH LLC,
Patent Owner.

CBM2015-00028 (Patent 7,334,720 B2)
CBM2015-00029 (Patent 7,334,720 B2)
CBM2015-00031 (Patent 8,336,772 B2)
CBM2015-00032 (Patent 8,336,772 B2)
CBM2015-00033 (Patent 8,336,772 B2)[1]

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

ELLURU, *Administrative Patent Judge*.

ORDER

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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 for the filing of the transcript of this teleconference.

CBM2015-00028 (Patent 7,334,720 B2)
CBM2015-00029 (Patent 7,334,720 B2)
CBM2015-00031 (Patent 8,336,772 B2)
CBM2015-00032 (Patent 8,336,772 B2)
CBM2015-00033 (Patent 8,336,772 B2)

A teleconference was held in these cases on July 21, 2015, among respective counsel for Petitioner Apple Inc. ("Apple"), Patent Owner Smartflash LLC ("Smartflash"), and Judges Bisk, Elluru, Anderson, and Clements. A court reporter transcribed the teleconference at the request of Smartflash.

Patent Owner renewed (*see* Paper 18[2]) its request for authorization to file a motion for "routine discovery" under 37 C.F.R. § 42.51(b)(1)(iii) to "require Apple to produce under seal any litigation documents setting forth Non-Infringing Alternatives and setting forth Apple's Non-Infringement positions, or, in the alternative redacted copies of the documents showing the claims that are alleged to have alternatives and/or alleged to not be infringed with an identification of the elements of the claims that have alternatives and/or are not infringed, along with the names of the technologies that are alleged to be alternatives and any publicly available information on those technologies." During our previous teleconference, we encouraged the parities to meet and confer to determine whether they could reach a stipulation that would resolve this issue. *Id*. The parties related that they were unable to reach agreement on a stipulation.

Smartflash contends that it is requesting the discovery because Apple was obligated to produce it as information "inconsistent" with a position taken in these proceedings[3] because it relates to whether the challenged

[2] Paper numbers refer to papers in CBM2014-00028.

[3] 37 C.F.R. § 42.51(b)(1)(iii) ("Unless previously served, a party must serve relevant information that is inconsistent with a position advanced by the

claims preempt all uses of the abstract idea itself. As we have stated before, and related again during the present teleconference, the question of whether the challenged claims preempt a field is a question of "relative" preemption. Smartflash did not point us to any authority that an accused infringer who pleads in the alternative that the challenged claims are unpatentable under 35 U.S.C. § 101, a question of law, is taking an inconsistent position with its non-infringement position. We, thus, decided that Apple's assertions in the district court regarding alleged non-infringing alternatives is not inconsistent with Apple's assertions in these cases that the challenged claims are unpatentable under § 101. And to the extent that Apple's assertion of non-infringement in district court is inconsistent with its assertion in these proceedings that the challenged claims are unpatentable under § 101, we determine that Smartflash is in possession of the "relevant information" of the alleged inconsistency. Specifically, Smartflash has the evidence that Apple took such allegedly inconsistent positions.

Given that Smartflash has not persuaded us that Apple is obligated to produce the requested discovery under Rule 42.51(b)(1)(iii), we interpreted Smartflash's request for the requested discovery relating to Apple's position on non-infringing alternatives as a request for "additional discovery," to which we apply the *Garmin* factors. *Garmin Int'l, Inc. v. Cuozzo Speed Techs*, Case IPR2012-00001 (PTAB March 5, 2013) Paper 26 at 6–7 (identifying factors to be considered in determining whether additional

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party during the proceeding concurrent with the filing of the documents or things that contains the inconsistency.").

discovery is warranted). Applying the *Garmin* analysis, we determined that the first *Graham* factor has not been met, i.e., Smartflash has not made more than a mere allegation that something useful will be found.

Apple cited *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 2015 WL 3634649, *7__F.3d___(Fed. Cir. June 12, 2015), which is instructive on the issue of preemption. In *Ariosa*, the Federal Circuit acknowledged that "questions on preemption are inherent in and resolved by the § 101 analysis." *Id*. The Federal Circuit further stated,

> While preemption may signal patent ineligible subject matter, *the absence of complete preemption does not demonstrate patent eligibility*. In this case, Sequenom's attempt to limit the breadth of the claims by showing alternative uses of cffDNA outside of the scope of the claims does not change the conclusion that the claims are directed to patent ineligible subject matter. *Where a patent's claims are deemed only to disclose patent ineligible subject matter under the Mayo framework, as they are in this case, preemption concerns are fully addressed and made moot*.

Id. (emphasis added). The Federal Circuit's holding, thus, minimizes the relevance of Apple's assertion of non-infringing alternatives in district court to the section 101 issues, including preemption, presented in these proceedings. Moreover, even assuming the requested discovery relating to non-infringing alternatives was relevant, Smartflash has not satisfied the fifth prong of *Garmin*. Specifically, Smartflash's request is overly burdensome because Smartflash's request is, in essence, a request to import the district court infringement case into these proceedings. As we related during

the teleconference, we do not have the resources to determine whether certain products are in fact "non-infringing alternatives." Thus, we denied Smartflash's request for authorization to file a motion for discovery.

It is:

ORDERED that Smartflash shall file the transcript of the present teleconference in each of the cases identified above; and

FURTHER ORDERED that Smarthflash's request for authorization to file a motion for discovery is *denied*.

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