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Paper 14
Entered: December 1, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE INC.,
Petitioner,

v.

SMARTFLASH LLC,
Patent Owner.

Case CBM2015-00132
Patent 8,336,772 B2

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

ELLURU, *Administrative Patent Judge*.

DECISION

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

I. INTRODUCTION

Google Inc. ("Google" or "Petitioner Google") filed a corrected Petition requesting covered business method patent review of claims 1, 5, 9, 10, 14, 21, and 22 (the "challenged claims") of U.S. Patent No. 8,336,772 B2 (Ex. 1001, "the '772 patent") ("Pet.," Paper 6, 1[1]). Smartflash LLC ("Smartflash") filed a Preliminary Response ("Prelim. Resp.," Paper 13).

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."

On June 29, 2015, Google filed a Motion for Joinder ("Mot.," Paper 10), seeking to consolidate this case with earlier-filed petitions for covered business method patent reviews of the '772 patent in *Apple Inc. v. Smartflash, LLC*, CBM2015-00031 and CBM2015-00032 (collectively, the "Apple CBM Proceedings," and "Petitioner Apple" when the Petitioner in those reviews is referenced), which were instituted on May 28, 2015. *See Apple Inc. v. Smartflash, LLC*, Case CBM2015-00031, slip. op. at 19–20 (PTAB May 28, 2015) (Paper 11) (instituting review of claims 1, 5, 8, and 10 of the '772 patent under 35 U.S.C. § 101); and *Apple Inc. v. Smartflash,*

[1] Google filed two versions of the corrected Petition: Paper 7, which is sealed and accessible to the parties and Board only, and Paper 6, which is a public version of the corrected Petition containing a small portion of redacted text. For purposes of this Decision, we refer only to the public version of the corrected Petition. Pursuant to 37 C.F.R. § 42.55, Google's motion to seal (Paper 4) the un-redacted Petition (Paper 7) is granted upon institution.

LLC, Case CBM2015-00032, slip. op. at 18–19 (Paper 11) (instituting review of claims 14, 19, and 22 of the '772 patent under 35 U.S.C. § 101).

Smartflash filed an Opposition to Google's Motion for Joinder. ("Opp.," Paper 11). Google also filed a Reply in Support of its Motion for Joinder. ("Reply," Paper 12).

For the reasons explained below, we institute a covered business method patent review of claims 1, 5, 9, 10, 14, 21, and 22 of the '772 patent and grant Google's Motion for Joinder.

II. INSTITUTION OF COVERED BUSINESS METHOD PATENT REVIEW ON SAME GROUNDS AS INSTITUTED IN THE APPLE CBM PROCEEDINGS

In view of the identity of the challenges in the instant Petition and those of the institutions in each of CBM2015-00031 and CBM2015-00032, we determine that it is more likely than not that Google will prevail in demonstrating that the claims challenged in Google's present petition are unpatentable.

Smartflash reiterates arguments in support of its position that the '772 patent is ineligible for covered business method patent. *See* Prelim. Resp. 49–58. We previously have determined that the '772 patent contains at least one claim that is eligible for covered business method patent review. AIA § 18(d)(1); *see* 37 C.F.R. § 42.301(a); *see also* CBM2015-00031, Paper 11, 7–10 (determining that the '772 patent is eligible for covered business method patent review based on claim 8); CBM2015-00032, Paper 11, 6–10 (determining that the '772 patent is eligible for covered business method patent review based on claim 19); *Apple Inc. v. Smartflash, LLC*, Case CBM2015-00033, slip. op. at 7–11 (PTAB May 28, 2015 (Paper 11)

(determining that the '772 patent is eligible for covered business method patent review based on claim 30).

In the present petition, Google contends that claim 21 renders the '772 patent eligible for a covered business method patent review. Pet. 4–10. Smartflash disagrees. Prelim. Resp. 49–58. We need not address the merits of Smartflash's argument with respect to claim 21 because we have previously determined that the '772 patent contains at least one claim that is eligible for covered business method patent review. *See* Transitional Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention; Final Rule, 77 Fed. Reg. 48,734, 48,736 (Aug. 14, 2012) ("CBM Rules") (Comment 8) (A patent need have only one claim directed to a covered business method to be eligible for review).

Google's Petition challenges a subset of the claims based upon the same ground, 35 U.S.C. § 101, for which we instituted covered business method patent reviews in each of the Apple CBM proceedings, and challenges for the first time claims 9 and 21, which depend from claims 8 and 19, respectively, and recite the same additional limitation, based upon the same ground. Mot. 2–3. Specifically, Google challenges claims 1, 5, 9, 10, 14, 21, and 22. Pet. 1; Mot. 2–3. In CBM2015-00031, our institution included a review of claims 1, 5, 8, and 10 under § 101. Paper 11, 19–20. In CBM2015-00032, our institution included a review of claims 14, 19, and 22 under § 101. Paper 11, 18–19. Based upon our review of the Petition, we are persuaded that it is more likely than not that claims 9 and 21 also are unpatentable under § 101.

Smartflash's arguments in the present preliminary response do not alter our determinations in the previous Apple proceedings. For example, Smartflash again argues that AIA § 18(d)(1) should be interpreted narrowly to cover only technology used specifically in the financial or banking industry. Prelim. Resp. 51–56. The Federal Circuit has expressly determined, however, that "the definition of 'covered business method patent' is not limited to products and services of only the financial industry, or to patents owned by or directly affecting the activities of financial institutions, such as banks and brokerage houses." *Versata Dev. Grp., Inc. v. SAP America, Inc.*, 793 F.3d 1306, 1325 (Fed. Cir. 2015). Rather, "it covers a wide range of finance-related activities." *Id.*

Furthermore, we have reviewed Smartflash's present preliminary response and are not persuaded that we should deny institution of the present petition. For example, in support of its argument that the challenged claims are directed to statutory eligible subject matter, Smartflash relies heavily on *DDR Holdings, LLC v. Hotels.com*, L.P., 773 F.3d 1245 (Fed. Cir. 2014), a decision that we determine, at this point in the proceeding, is not relevant to the claims challenged here. *See* Prelim. Resp. at 15–31. Smartflash also argues that the challenged claims do not result in inappropriate preemption (Prelim. Resp. 31–43) and alleges that "[t]he existence of a large number of non-infringing alternatives shows that the claims of the '772 Patent do not raise preemption concerns" (Prelim. Resp. 36). The Federal Circuit, however, has recently acknowledged that "questions on preemption are inherent in and resolved by the § 101 analysis." *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015). The Federal Circuit further stated,

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