#### UNITED STATES PATENT AND TRADEMARK OFFICE

## BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,

Petitioner,

V.

#### SMARTFLASH LLC,

Patent Owner.

Case CBM2015-00032

Patent 8,336,772 B2

PATENT OWNER'S RESPONSE

**DOCKET A L A R M** Find authenticated court documents without watermarks at <u>docketalarm.com</u>.

### TABLE OF CONTENTS

| I.   | INTRODUCTION   |  |  |
|------|--|--|--|
| II.  | STATEMENT OF MATERIAL FACTS4   |  |  |
| III. | THE WECHSELBERGER DECLARATION SHOULD BE GIVEN<br>LITTLE OR NO WEIGHT4  |  |  |
|      | A. The Wechselberger Declaration Is Not Based on a Review of Any<br>Articulated Standard for Statutory Subject Matter                              |  |  |
|      | B. No Evidentiary Standard Is Disclosed in the Wechselberger<br>Declaration  |  |  |
| IV.  | OVERVIEW OF U.S. PATENT NO. 8,336,77211  |  |  |
|      | A. Overview of the Technology of the Patent  |  |  |
|      | B. Claim Construction  |  |  |
| V.   | CLAIMS 14, 19, AND 22 OF THE '772 PATENT ARE DIRECTED TO<br>STATUTORY SUBJECT MATTER   |  |  |
|      | A. The Two-Part Test for Statutory Subject Matter  |  |  |
|      | B. The Claims Are Statutory Under the Second Step of <i>Mayo</i> and <i>Alice</i> .16  |  |  |
|      | C. Claims 14, 19, and 22 Do Not Result in Inappropriate Preemption27   |  |  |
|      | 1. Preemption under <i>DDR Holdings</i>  |  |  |
|      | 2. Preemption under <i>Mayo</i> and <i>Alice</i>   |  |  |
|      | 3. Non-Infringing Alternatives Show a Lack of Preemption32   |  |  |
| VI.  | PETITIONER HAS ALREADY LOST A CHALLENGE TO OTHER<br>CLAIMS OF THE SAME PATENT ON THE SAME STATUTORY<br>GROUNDS IN ITS LITIGATION WITH PATENT OWNER |  |  |
| VII. | THE USPTO IS ESTOPPED FROM REVISITING THE ISSUE OF<br>WHETHER THE CLAIMS ARE DIRECTED TO STATUTORY SUBJECT<br>MATTER                               |  |  |
|      |  |  |  |

| VIII. | INVALIDATING PATENT CLAIMS VIA CBM REVIEW IS<br>UNCONSTITUTIONAL                           | 36 |
|-------|--|----|
| IX.   | SECTION 101 IS NOT A GROUND THAT MAY BE RAISED IN<br>COVERED BUSINESS METHOD PATENT REVIEW | 38 |
| X.    | CONCLUSION   | 41 |

## PATENT OWNER'S LIST OF EXHIBITS

| Exhibit Number | Exhibit Description  |
|----------------|--|
| 2001           | Congressional Record - House, June 23, 2011, H4480-4505        |
| 2002           | Congressional Record - Senate, Sep. 8, 2011, S5402-5443        |
| 2003-2043      | Reserved   |
| 2044           | Declaration of Anthony Wechselberger in CBM2014-00110          |
| 2045           | Declaration of Anthony Wechselberger in CBM2014-00111          |
| 2046           | Patent Owner's Preliminary Response in CBM2014-00110           |
| 2047           | Patent Owner's Preliminary Response in CBM2014-00111           |
| 2048           | Reserved   |
| 2049           | Report and Recommendation (on Defendants' Motions for          |
|                | Summary Judgment of Invalidity Pursuant to 35 U.S.C. §         |
|                | 101), from Smartflash LLC, et al. v. Apple Inc., et al., Case  |
|                | No. 6:13-CV-447 (E.D. Tex.) and Smartflash LLC, et al. v.      |
|                | Samsung Electronics Co. Ltd, et al., Case No. 6:13-CV-448      |
|                | (E.D. Tex.), dated Jan. 21, 2015                               |
| 2050           | Order adopting Report and Recommendation (on                   |
|                | Defendants' Motions for Summary Judgment of Invalidity         |
|                | Pursuant to 35 U.S.C. § 101), from Smartflash LLC, et al. v.   |
|                | Apple Inc., et al., Case No. 6:13-CV-447 (E.D. Tex.) and       |
|                | Smartflash LLC, et al. v. Samsung Electronics Co. Ltd, et al., |
|                | Case No. 6:13-CV-448 (E.D. Tex.), dated Feb. 13, 2015          |
| 2051-2057      | Reserved   |

- iii -

| 2058      | <ul> <li>Memorandum Opinion and Order (on Defendants' Motions<br/>for Stay Pending the Outcome of CBMs) from <i>Smartflash</i><br/><i>LLC, et al. v. Apple Inc., et al.</i>, Case No. 6:13-CV-447 (E.D.<br/>Tex.), <i>Smartflash LLC, et al. v. Samsung Electronics Co. Ltd,</i><br/><i>et al.</i>, Case No. 6:13-CV-448 (E.D. Tex.), <i>Smartflash LLC, et</i><br/><i>al. v. Google, Inc., et al.</i>, Case No. 6:14-CV-435 (E.D. Tex.),</li> </ul> |
|-----------|--|
|           | and <i>Smartflash LLC, et al. v. Amazon, Inc., et al.</i> , Case No. 6:14-CV-992 (E.D. Tex.) dated May 29, 2015  |
| 2059-2067 | Reserved   |
| 2068      | Deposition Transcript of Anthony J. Wechselberger dated<br>May 28, 2015 taken in CBM2015-00015, -00016, -00017<br>and -00018   |
| 2069-2073 | Reserved   |
| 2074      | Civil Docket Report from <i>Smartflash LLC, et al. v. Apple</i><br><i>Inc., et al.</i> , Case No. 6:13-CV-447 (E.D. Tex.)  |
| 2075      | Order (on Defendants' Renewed Motion for Judgment as a<br>Matter of Law on the Issue of § 101 under Rule 50(b)); Dkt.<br># 585; from <i>Smartflash LLC, et al. v. Apple Inc., et al.</i> , Case<br>No. 6:13-CV-447 (E.D. Tex.) dated July 8, 2015.   |
| 2076      | Deposition Transcript of Anthony J. Wechselberger dated<br>July 22, 2015   |
| 2077-2079 | Reserved   |

## DOCKET A L A R M



# 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.